

U.S. Department of Education

Washington, D.C. 20202-5335



APPLICATION FOR GRANTS UNDER THE

**CHARTER SCHOOLS PROGRAM - REPLICATION AND EXPANSION OF HIGH-
QUALITY CHARTER SCHOOLS (84.282M)**

CFDA # 84.282M

PR/Award # U282M100037

OMB No. 1894-0006, Expiration Date:
Closing Date: JUL 07, 2010

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This application was generated using the PDF functionality. The PDF functionality automatically numbers the pages in this application. Some pages/sections of this application may contain 2 sets of page numbers, one set created by the applicant and the other set created by e-Application's PDF functionality. Page numbers created by the e-Application PDF functionality will be preceded by the letter e (for example, e1, e2, e3, etc.).

Application for Federal Assistance SF-424		Version 02
* 1. Type of Submission * 2. Type of Application: * If Revision, select appropriate letter(s): <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> New <input checked="" type="checkbox"/> Application <input type="checkbox"/> Continuation * Other (Specify) <input type="checkbox"/> Changed/Corrected Application <input type="checkbox"/> Revision		
* 3. Date Received: 7/14/2010		4. Applicant Identifier:
5a. Federal Entity Identifier:		* 5b. Federal Award Identifier: N/A
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
* a. Legal Name: Success Charter Network, Inc.		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 205298861		* c. Organizational DUNS: 830186487
d. Address:		
* Street1:		34 West 118th Street
Street2:		Second Floor
* City:		New York
County:		New York
State:		NY
Province:		
* Country:		USA
* Zip / Postal Code:		10026
e. Organizational Unit:		
Department Name:		Division Name:
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix:		Ms. * First Name: Keri
Middle Name:		

* Last Name: Hoyt

Suffix:

Title: Chief Operating Officer

Organizational Affiliation:

Success Charter Network

* Telephone Number: (917)881-9295

Fax Number: (212)457-5659

* Email: KERI.HOYT@SUCCESSCHARTERS.ORG

Application for Federal Assistance SF-424

Version 02

9. Type of Applicant 1: Select Applicant Type:

M: Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

10. Name of Federal Agency:

U.S. Department of Education

11. Catalog of Federal Domestic Assistance Number:

84.282M

CFDA Title:

Charter Schools Program - Replication and Expansion of High-Quality Charter Schools (84.282M)

*** 12. Funding Opportunity Number:**

052410-001

Title:

Charter Schools Program - Replication and Expansion of High-Quality Charter Schools

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

*** 15. Descriptive Title of Applicant's Project:**

Opportunity Now

Attach supporting documents as specified in agency instructions.

Attachment:

Title :

File :

Attachment:

Title :

File :

Attachment:

Title :

File :

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

* a. Applicant: 15

* b. Program/Project: 15

Attach an additional list of Program/Project Congressional Districts if needed.

Attachment:

Title : Program/Project Congressional Districts Served

File : SCN Program:Project Congressional Districts.doc

17. Proposed Project:

* a. Start Date: 7/1/2010

* b. End Date: 6/30/2015

18. Estimated Funding (\$):

a. Federal	\$ 0
b. Applicant	\$ 0
c. State	\$ 0
d. Local	\$ 0
e. Other	\$ 3260000
f. Program Income	\$ 2922355
g. TOTAL	\$ 6182355

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name: Keri

Middle Name:

* Last Name: Hoyt

Suffix:

Title: Chief Operating Officer

* Telephone Number: (917)881-9295 Fax Number: (212)457-5659

* Email: KERI.HOYT@SUCCESSCHARTERS.ORG

* Signature of Authorized Representative:

* Date Signed:

Application for Federal Assistance SF-424

Version 02

*** Applicant Federal Debt Delinquency Explanation**

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

N/A

Success Charter Network
Program/Project Congressional Districts Served

1. NY – District 15
2. NY – District 16

**U.S. DEPARTMENT OF EDUCATION****BUDGET INFORMATION****NON-CONSTRUCTION PROGRAMS**

OMB Control Number: 1894-0008

Expiration Date: 02/28/2011

Name of Institution/Organization:
Success Charter Network, Inc.

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

SECTION A - BUDGET SUMMARY
U.S. DEPARTMENT OF EDUCATION FUNDS

Budget Categories	Project Year 1(a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2. Fringe Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
3. Travel	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000
4. Equipment	\$ 112,414	\$ 85,330	\$ 566,393	\$ 518,237	\$ 724,302	\$ 2,006,676
5. Supplies	\$ 82,509	\$ 92,380	\$ 250,166	\$ 214,739	\$ 306,804	\$ 946,598
6. Contractual	\$ 91,824	\$ 126,483	\$ 294,585	\$ 304,635	\$ 418,364	\$ 1,235,891
7. Construction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
8. Other	\$ 836,574	\$ 557,473	\$ 1,029,354	\$ 1,101,718	\$ 1,435,466	\$ 4,960,585
9. Total Direct Costs (lines 1-8)	\$ 1,124,321	\$ 862,666	\$ 2,141,498	\$ 2,140,329	\$ 2,885,936	\$ 9,154,750
10. Indirect Costs*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
11. Training Stipends	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
12. Total Costs (lines 9-11)	\$ 1,124,321	\$ 862,666	\$ 2,141,498	\$ 2,140,329	\$ 2,885,936	\$ 9,154,750

***Indirect Cost Information (To Be Completed by Your Business Office):**

If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:

(1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? ☐ Yes ☒ No

(2) If yes, please provide the following information:

Period Covered by the Indirect Cost Rate Agreement: From: __/__/__ To: __/__/__ (mm/dd/yyyy)

Approving Federal agency: ☐ ED ☐ Other (please specify): _____ The Indirect Cost Rate is 0%

(3) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that:

☐ Is included in your approved Indirect Cost Rate Agreement? or, ☐ Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is 0%

**U.S. DEPARTMENT OF EDUCATION****BUDGET INFORMATION****NON-CONSTRUCTION PROGRAMS**

OMB Control Number: 1894-0008

Expiration Date: 02/28/2011

Name of Institution/Organization:
Success Charter Network, Inc.

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

SECTION B - BUDGET SUMMARY**NON-FEDERAL FUNDS**

Budget Categories	Project Year 1(a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel	\$ 698,924	\$ 712,086	\$ 740,570	\$ 770,193	\$ 801,000	\$ 3,722,773
2. Fringe Benefits	\$ 204,228	\$ 212,381	\$ 220,859	\$ 229,676	\$ 238,846	\$ 1,105,990
3. Travel	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
4. Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
5. Supplies	\$ 17,600	\$ 18,128	\$ 18,672	\$ 38,432	\$ 19,185	\$ 112,017
6. Contractual	\$ 577,366	\$ 257,259	\$ 264,977	\$ 272,926	\$ 281,114	\$ 1,653,642
7. Construction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
8. Other	\$ 676,435	\$ 448,707	\$ 462,169	\$ 476,034	\$ 490,315	\$ 2,553,660
9. Total Direct Costs (lines 1-8)	\$ 2,174,553	\$ 1,648,561	\$ 1,707,247	\$ 1,787,261	\$ 1,830,460	\$ 9,148,082
10. Indirect Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
11. Training Stipends	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
12. Total Costs (lines 9- 11)	\$ 2,174,553	\$ 1,648,561	\$ 1,707,247	\$ 1,787,261	\$ 1,830,460	\$ 9,148,082

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Standard Form 424B (Rev.7-97)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management, and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. "4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. "1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. '794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. "276a to 276a-7), the Copeland Act (40 U.S.C. '276c and 18 U.S.C. "874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. " 327-333), regarding labor standards for federally assisted construction sub-agreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. "1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. "7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. "1721 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance

of 1975, as amended (42 U.S.C. " 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) " 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. " 290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. ' 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with the provisions of the Hatch Act (5 U.S.C. "1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. '470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. "469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. "2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. "4801 et seq.) which prohibits the use of lead- based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

Signature of Authorized Certifying Representative:
Name of Authorized Certifying Representative: Keri Hoyt
Title: Chief Operating Officer
Date Submitted: 06/18/2010

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

1. Type of Federal Action: <input type="checkbox"/> Contract <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Cooperative Agreement <input type="checkbox"/> Loan <input type="checkbox"/> Loan Guarantee <input type="checkbox"/> Loan Insurance	2. Status of Federal Action: <input checked="" type="checkbox"/> Bid/Offer/Application <input type="checkbox"/> Initial Award <input type="checkbox"/> Post-Award	3. Report Type: <input type="checkbox"/> Initial Filing <input type="checkbox"/> Material Change For Material Change only: Year: 0 Quarter: 0 Date of Last Report:
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier, if known: 0 Name: Address: City: State: Zip Code + 4: - Congressional District, if known:	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Name: Address: City: State: Zip Code + 4: - Congressional District, if known:	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable:	
8. Federal Action Number, if known:	9. Award Amount, if known: \$0	
10. a. Name of Lobbying Registrant (if individual, last name, first name, MI): Address: City: State: Zip Code + 4: -	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): Address: City: State: Zip Code + 4: -	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Name: Keri Hoyt Title: Chief Operating Officer Applicant: Success Charter Network, Inc. Date: 06/18/2010	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements.

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal Loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance.

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

APPLICANT'S ORGANIZATION

Success Charter Network, Inc.

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Prefix: First Name: Keri Middle Name:

Last Name: Hoyt Suffix:

Title: Chief Operating Officer

Signature:

Date:

06/18/2010

ED 80-0013

03/04

Section 427 of GEPA

NOTICE TO ALL APPLICANTS

The purpose of this enclosure is to inform you about a new provision in the Department of Education's General Education Provisions Act (GEPA) that applies to applicants for new grant awards under Department programs. This provision is Section 427 of GEPA, enacted as part of the Improving America's Schools Act of 1994 (Public Law (P. L.) 103-382).

To Whom Does This Provision Apply?

Section 427 of GEPA affects applicants for new grant awards under this program. **ALL APPLICANTS FOR NEW AWARDS MUST INCLUDE INFORMATION IN THEIR APPLICATIONS TO ADDRESS THIS NEW PROVISION IN ORDER TO RECEIVE FUNDING UNDER THIS PROGRAM.**

(If this program is a State-formula grant program, a State needs to provide this description only for projects or activities that it carries out with funds reserved for State-level uses. In addition, local school districts or other eligible applicants that apply to the State for funding need to provide this description in their applications to the State for funding. The State would be responsible for ensuring that the school district or other local entity has submitted a sufficient section 427 statement as described below.)

What Does This Provision Require?

Section 427 requires each applicant for funds (other than an individual person) to include in its application a description of the steps the applicant proposes to take to ensure equitable access to, and participation in, its Federally-assisted program for students, teachers, and other program beneficiaries with special needs. This provision allows applicants discretion in developing the required description. The statute highlights six types of barriers that can impede equitable access or participation: gender, race, national origin, color, disability, or age. Based on local circumstances, you should determine whether these or other barriers may prevent your students, teachers, etc. from such access or participation in, the Federally-funded project or activity. The description in your application of steps to be taken to overcome these barriers need not be lengthy; you may provide a clear and succinct

description of how you plan to address those barriers that are applicable to your circumstances. In addition, the information may be provided in a single narrative, or, if appropriate, may be discussed in connection with related topics in the application.

Section 427 is not intended to duplicate the requirements of civil rights statutes, but rather to ensure that, in designing their projects, applicants for Federal funds address equity concerns that may affect the ability of certain potential beneficiaries to fully participate in the project and to achieve to high standards. Consistent with program requirements and its approved application, an applicant may use the Federal funds awarded to it to eliminate barriers it identifies.

What are Examples of How an Applicant Might Satisfy the Requirement of This Provision?

The following examples may help illustrate how an applicant may comply with Section 427.

- (1) An applicant that proposes to carry out an adult literacy project serving, among others, adults with limited English proficiency, might describe in its application how it intends to distribute a brochure about the proposed project to such potential participants in their native language.
- (2) An applicant that proposes to develop instructional materials for classroom use might describe how it will make the materials available on audio tape or in braille for students who are blind.
- (3) An applicant that proposes to carry out a model science program for secondary students and is concerned that girls may be less likely than boys to enroll in the course, might indicate how it intends to conduct "outreach" efforts to girls, to encourage their enrollment.

We recognize that many applicants may already be implementing effective steps to ensure equity of access and participation in their grant programs, and we appreciate your cooperation in responding to the requirements of this provision.

Estimated Burden Statement for GEPA Requirements

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is **1894-0005**. The time required to complete this information collection is estimated to average 1.5 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202-4537.

Applicants should use this section to address the GEPA provision.

Attachment:

Title : SCN_GEPA Statement

File : SCN_GEPA.doc

Addressing Section 427 of GEPA

Success Charter Network (SCN) has determined that the barriers that would prevent students from fully accessing our programs (i.e., receiving the full benefits of our rigorous educational program) include special education designation and limited English proficiency. As described in our proposal, SCN has had great success serving special education students and students with limited English proficiency. Currently, 14% of SCN students require special education services, and 10% are classified as English Language Learners (ELL) (While our ELL population is currently low, SCN anticipates that this percentage will increase dramatically this coming August when we open 2 new schools in the South Bronx).

SCN recognizes that these students face greater educational challenges than their peers, and has taken this into account as we've developed our program model. SCN educates students with disabilities in the least restrictive environment, with their non-disabled, native English speaking peers to the extent appropriate and allowed by each student's Individualized Education Program (IEP) prepared by the Committee on Special Education (CSE) of the student's school district of residence and all applicable federal laws, including the Individuals with Disabilities Education Act (IDEA). Additionally, SCN provides additional push-in and other support services to its special education and ELL students to ensure they are able to achieve at the same high level as their peers.

Project Narrative

Abstract

Attachment 1:

Title: **SCN_Abstract** Pages: **1** Uploaded File: **SCN_Final Abstract.pdf**

Success Charter Network

Abstract

Success Charter Network (SCN) has developed an innovative school model that independent research has shown increases student achievement by 13-20%. SCN's seeks to expand its program to 19 schools educating over 6,600 students over the next 5 years and to 40 schools serving over 20,000 students over the next 10 years. Each school will be opened in a community serving high-need students from low-income, high minority communities in New York City and will prepare its scholars to be college and career-ready by closing the achievement gap between them and their peers in more affluent communities.

SCN plans to achieve this ambitious goal through a combination of its innovative school model and its strategic growth plan. Its school model is based on employing rigorous standards and a whole child curriculum, setting specific goals, using on-going assessments to inform instruction, creating a professional learning environment with a performance management system for adults, utilizing quality professional development, and leveraging technology to create a blended instructional environment. Its strategic growth plan that allows it to expand while maintaining quality is based on becoming self-sustaining, securing matching funds, an upfront investment to get the model right, employing a cluster model, and cultivating demand.

While SCN needs the initial upfront investment provided through this grant to fund its replication, each year its funding request is a smaller percentage of the total project cost as its student enrollment, and therefore its per pupil revenues, increases. At the conclusion of the grant, SCN will be able to continue operating its existing schools and opening additional schools solely on its per pupil funding and without any additional federal grant funding.

Project Narrative

Priorities

Attachment 1:

Title: **SCN_Project Narrative - Priorities** Pages: **22** Uploaded File: **SCN_Project Narrative - Priorities.pdf**

Success Charter Network
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Absolute Priority:

Experience Operating or Managing High-Quality Charter Schools.

Success Charter Network (SCN) is a not-for-profit charter management organization that operates seven charter schools in economically-disadvantaged communities with high concentrations of minority students in New York City. SCN opened the doors to its first elementary school in Harlem serving 165 kindergarten and 1st graders on August 16, 2006. After dramatic gains in student achievement at this school, and in response to high parent demand, SCN opened three more elementary schools serving Title I students in Harlem in August 2008. Encouraged by our continued success and buttressed by groundbreaking research that shows the validity of our approach for a community-representative sample of students, SCN will open three additional elementary schools and one middle school this August and will serve, in total, more than 2,400 scholars in Harlem and the South Bronx. SCN plans to continue to expand over the next 10 years with the goal of building a network of 40 public charter elementary and middle schools serving 20,000 students in low-income, high-minority communities in New York City who would otherwise be consigned to substandard neighborhood schools.

Success Charter Network operates charter schools that increase student academic achievement for disadvantaged students, close the achievement gap for Title 1 students, and top the charts in terms of student performance, safety, and parent satisfaction. In addition, the tight financial controls and unique financial model put SCN in a unique position to be able to open high quality schools faster than most Charter Management Organizations.

Increasing Student Achievement for Disadvantaged Students

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Independent research studies have documented the powerful effect that SCN schools' high quality instructional approaches have on the quality of education provided to disadvantaged children. Many studies compare students who attend charter schools to those who do not attend charter schools. These studies often come under attack because critics claim that parents who apply to charter schools are generally more 'motivated' or involved than parents who do not apply to charter schools. Since Harlem Success students are admitted through a random lottery, an independent researcher was able to compare students who were admitted to students who applied but were not admitted, allowing for a valid comparison that controls for parental involvement as measured by parents applying to a charter school.

Researchers at the University of Pennsylvania Graduate School of Education compared test results for 176 students who applied to attend a Success Academy and were awarded enrollment via a randomized lottery with those who applied through the lottery and did not win the luck of the draw. The results of the 3rd grade ELA and Math tests allowed the researchers to compare Success Academy with zone schools for students whose parents were involved and motivated enough to apply for enrollment at Harlem Success. This methodology allows a "control" for factors associated with parental involvement and other family characteristics, and isolates the effects of our instructional programs and school climate on student achievement.

The results were nothing short of spectacular. Across all categories, including special education children, the study demonstrated that the education Harlem Success Academy I (HSA1) delivers has a tremendous value-added effect on student achievement. HSA1 3rd graders performed a statistically significant 48 points higher in

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Mathematics and 35 points higher on the English Language Arts test than did the 3rd graders who were not chosen by random lottery to attend HSA1 and ultimately attended neighboring zone public schools.

University of Pennsylvania also compared HSA1 students to students who did not apply to a Success Academy. Comparing HSA1 students to students who attend demographically and geographically similar schools, HSA1 3rd graders performed 58 scale score points higher than did the 3rd graders in Mathematics in the comparison school and 40 scale score points higher on the ELA than did the 3rd graders in the comparison schools. 99.6% of HSA1 students are minorities and 76% receive free or reduced lunch. These results demonstrate that SCN schools are increasing the academic achievement for disadvantaged and Title 1 students.

Closing the Achievement Gap for Title One Students

State testing confirms the results of the University of Pennsylvania study: out of 3,500 public schools in the entire state of New York, not a single school outperformed Harlem Success Academy I on the 2009 state math test. A full **100%** of HSA1 3rd graders in 2009 met New York State Learning Standards in math, outperforming many of New York State's wealthiest districts. The percentage of advanced proficient students in math surpassed District 2 in the Upper East Side of Manhattan - the wealthiest school district in New York City - by more than 30 percentage points.

A more striking comparison between Success Academy schools and the nearest public zone schools is the percentage of students performing at the highest level - "advanced" or "level 4" - on the state assessment):

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- At HSA1, 71% of 3rd graders are advanced proficient in Math, compared with 8% at the co-located zone public school.¹
- 95% of HSA1 3rd graders passed the 2009 New York State English Language Arts (ELA) test, compared with 51% at our co-located zone school.
- 24% of HSA1 students are advanced proficient in ELA compared with 0% at the co-located zone school.
- No school in the state outperformed HSA1 on the Math test, placing it as #1 public charter in Math and one school outperformed HSA1 in ELA, placing it as #2 public charter for ELA.

Codifying and Sharing Knowledge

While achieving these dramatic results, SCN has authored an extensive playbook on how to operate highly effective elementary and middle schools that achieve phenomenal results in impoverished communities to help disseminate successful tactics to other public schools, charter and non-charter alike. During this time, SCN has also honed its operating and management skills and is positioned to replicate its proven school model quickly while delivering phenomenal academic outcomes in high-need communities.

State Oversight

SCN takes the same high-achieving approach to the safety of its staff and students as it does to academics. SCN has no safety issues and operates schools that offer calm, orderly, and joyful learning environments. In fact, on the 2009-2010 NYC parent

¹ In New York City, many charter schools are placed in NYC Department of Education buildings and share space with multiple schools in one building, we call these schools, co-located zone schools. They are traditional public schools operated by the NYC Department of Education.

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satisfaction survey, 100% of the parents strongly agree or agree with the statement, ‘my child is safe at school’; 98% strongly agree or agree at they feel their ‘child’s school is clean’; and 97% strongly agree or agree that discipline is ‘enforced fairly’ at their child’s school.

In addition, SCN has met every state accountability target and regulatory requirement in a state where the bar is among the highest in the nation. New York State authorizers are renowned for the rigorous and exacting standards to which they hold their charter schools, including: absolute and value-added progress on standardized testing; curriculum content and instruction; teacher qualifications; storage and tracking of academic progress, student information, and financial records; and maintaining best practices on financial policies and procedures and insurance. SCN has consistently received high marks in each of these areas. For example, during a recent programmatic audit of our schools, independent reviewers contracted by the State of New York "found high quality instruction in place in classes throughout the school," said that leadership "was strong and leaders held high expectations for teachers and students," and praised professional development as "abundant," "targeted," and "effective." Reviewers further described "a well documented curriculum" as "both vertically and horizontally aligned" with "high quality instruction in place in classes throughout the school. Teachers demonstrated solid content knowledge and grade level competency in all classes observed."

Financial Stability

One reason SCN is confident about its ability to replicate its success is that each of the schools operated by SCN are not only financially sound, but are also built to be

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self-sustaining after the third year of operation. When the school enters its fourth year of operation it is entirely self-sustained on local public funding which is a challenge in New York City, where the per pupil funding for charter schools is less than that for zone schools. But even with lower per-pupil funding, Success Academies produce results that far exceed the results of the zone school². Because of its unique financial model, SCN is able to open schools at a pace far faster than most charter management organizations while proving the very important point that there is a model that can deliver high quality education to the neediest communities for less than what most districts pay.

Since its inception, SCN's annual audits have been flawless. This demonstrates that the procedural controls, budgeting, and financial model are consistently conservative, accurate, and sound. Two excerpts from our Financial Policies and Procedures manual regarding our budgeting process and grant management can be found in the appendix. These are just a representative sample of the comprehensive financial controls SCN has in place to ensure that the network and its schools are operated with impeccable integrity and public accountability.

Increased Demand

SCN's academic and programmatic results are driving enormous demand. For just 1,100 openings, Success Academies received more than 7,000 applications for the 2010-2011 school year lottery. More than 66% of age-eligible Harlem students have applied to attend a Success Academy. It's no wonder why New York City Mayor Michael Bloomberg cites Success Academy's 'amazing results.'

² Every residence in New York City is zoned to a specific school. Zone schools tend to be the closest elementary or middle school in that neighborhood. If a student applies to a charter school and is not admitted via random lottery, that child is forced placed into the zone school.

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These results exhibit Success Charter Network's ability to run high quality charter schools that increase student academic achievement for disadvantaged students, prove that Success Academies are closing the achievement gap for Title 1 students, demonstrate that Success Academies top the charts of the New York public schools on student performance, safety, and exhibit parent satisfaction compared not only to other schools in our neighborhood but to New York City as a whole or to the highest-performing and elite school districts in the state. What we want to do now is expand our capacity to provide these same opportunities, these same proven programs and instructional approaches, to every family that desires them.

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Competitive Priority

Low-Income Demographic:

SCN's schools, which are primarily located in Harlem, serve among the highest concentrations of historically disadvantaged students of all public schools, charter or not, in the city, and for that matter the entire country. In the neighborhoods SCN serves, approximately 76% of Success Academy families receive free or reduced lunch, the median household income is \$22,862, approximately 33% of the families who live in these communities live below the poverty level, upwards of 25% of the families receive food stamps, and 44% receive income support, which includes Medicaid, supplemental security income, and public assistance including home relief and AFDC. Approximately 14% of the community has received a college diploma. While many of the Harlem Success Academy scholars live in the Harlem neighborhoods where the schools are located, a significant percentage of our Harlem schools educate students from the Bronx where the statistics are far worse.

Two of the schools opening this August are located in the South Bronx, where the prospects for our families are far bleaker. We anticipate between 89-93% of our families will receive free or reduced lunch. The median household income in the South Bronx is \$17,754, 44% of the families live below the poverty level, 40% receive food stamps, and 60% rely on public assistance. A dismal 5% of the population SCN serves has earned a college diploma. According to the U.S. Census, the Bronx area ranks among the poorest Census areas in the entire United States, and is the poorest urban census region in the entire country³.

³ http://www.census.gov/did/www/saipe/data/highlights/files/saipe_highlights_2008.pdf

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As a point of comparison, across the five boroughs of New York City, the average income is \$38,519 and in Manhattan, where Harlem is located, the average income is \$47,377 and approximately 50% of the residents have received their college diploma. Our Harlem communities receive 60% of what the average household earns across the five boroughs and 48% of what their Manhattan counterparts earn. In the communities we serve in the Bronx, our families receive 54% less than the average household across the five boroughs. And, the neighborhoods we serve receive 64% of the wages earned by the average person living in the Bronx. From these statistics, it's clear that SCN is targeted economically disadvantaged students within boroughs we educate.

At Success Academies, an average of 76% of the students receive free or reduced lunch. This average will increase when Bronx Success Academies I and II open their doors in August and it will continue to rise as we open more schools in the South Bronx. The neighborhoods where Bronx Success Academies are located have a far greater poverty level than do our Harlem schools' neighborhoods. The schools with which we will be co-located currently have 89% and 92.6% of their students receiving free or reduced lunch. Success Academies tend to have similar free or reduced lunch populations as our co-located zone schools.

SCHOOL	% of students receiving free or reduced lunch
Harlem Success Academy I	76%
Harlem Success Academy 2	78%
Harlem Success Academy 3	74%
Harlem Success Academy 4	74%

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Harlem Success Academy 5 OPENS IN AUGUST 2010	~ 75%
Bronx Success Academy 1 OPENS IN AUGUST 2010	~ 93%
Bronx Success Academy 2 OPENS IN AUGUST 2010	~ 89%

Unfortunately, the communities we serve are not only plagued by poverty, but they and, most importantly, their children are also plagued with poor health. Upwards of 25% of our scholars have been diagnosed with asthma. Students who have asthma often times have a more difficult time concentrating and remembering, their sleep is often interrupted, and they tend to miss more days of schools than their healthier peers. One 2003 study estimated that 12.8 million school absences across the country that year were blamed on asthma.

And while the city has done a good job of providing vision screening to our scholars, the diagnosis is only half of the problem. Once our families know there is a problem, they need to take an additional step to go to an eye doctor, get tested again, and then get glasses. Since such a small percentage of our families have full insurance, this is often times a very costly exercise and one that is put off until the family has enough money saved to go to a doctor or have found the time to find a clinic that can help. Studies show that vision problems affect low-income students at twice the rate of their wealthier peers and that vision problems have been linked to poorer academic achievement.²

In addition, the majority of our scholars are overweight. This is due largely to the lack of physical activity our scholars exert outside of school. Prevalence of obesity is

² Debra Viadero, “Health Problems Fuel Achievement Gaps, Study Says”, Education Week March 17, 2010

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highest among minority female children and adolescents and among Mexican-American boys. A recent study goes on to report that physical activity is unacceptably low for most adolescents. Physical activity is particularly low for Black and Hispanic females. The beneficial effects of physical activity and physical health are very well established, and there is increasing evidence of effects on mental health.³

The communities we serve provide a too-common example of how the opportunity gaps in family income, neighborhood poverty, and access to health and social services track closely with gaps in student achievement. A 2009 study by the National Assessment of Educational Progress found a 23-point gap in reading scores between white and African American 4th-grade students in New York City and a 22-point gap between white and Hispanic students, representing the near equivalent to a two grade level deficit. Similarly, fourth grade African American and Hispanic students in New York City are approximately two academic years behind their white peers in Mathematics, and fourth grade students qualifying for free or reduced lunch are approximately 1.5 academic years behind their peers who do not qualify for free or reduced lunch in Mathematics. The achievement gap becomes even more pronounced as students get older resulting in a high drop out rate for poor and minority students (up to 40% in some school districts). Even for those who graduate, only a small proportion (as small as 9% in some districts) graduate with Regents diplomas signifying they are adequately prepared for college.

We strongly believe however that demography need not be destiny. Findings from multiple sources, including evaluations by independent reviewers and ground-breaking

³ Charles E Basch, “Healthier Students Are Better Learners: A Missing Link in School Reforms to Close the Achievement Gap”, Equity Matters, March 2010

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work by leading university-based researchers, provides some of the clearest evidence yet that the cycle of abject poverty and educational failure can be broken with high-quality instructional programs linked with other community supports, health, and social services.

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School Improvement

Success Charter Network (SCN) is an integral part of a city-wide effort to restart schools identified as persistently low-performing or to offer high-quality alternatives for students attending such schools.

SCN is dedicated to serving as many students as we can in New York City. While we are making strides to address the needs of our immediate communities, we know that there is much more work to be done to close the achievement gap. Our ultimate goal is to eliminate not only the achievement gap seen in the city, but also the infamous Scarsdale achievement gap. It's not enough to be meeting the average across the city; if we want our scholars to attend and graduate from top colleges, we need to educate them at the same level as do our wealthy suburban districts for their students.

We have spent the past six months working with the New York City Department of Education to be prepared to restart any elementary school they identify. To date, there is one school in New York City that is on the short list and we're in prime position to restart that school. While there are many regulatory issues the New York City Department of Education and the State Department of Education must work out, SCN is in a unique position to work in partnership with the NYC DOE to turn around historically failing schools. SCN has proven its capacity to replicate quickly while maintaining high quality education in neighborhoods saturated with failing schools.

We estimate that there are about 128,000 students who could benefit from a better education in these neighborhoods. More than 38%, or approximately 21,000 students, of Harlem and South Bronx students in grades 3 through 8 failed to meet the standards on the NY state English Language Arts (ELA) test in 2009. Thousands of additional students

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in Kindergarten through 2nd grade are destined for the same results without the assistance of additional school choices. Moreover, we anticipate these numbers are going to more than double in the next year when the tests are recalibrated and the content on the tests becomes more rigorous. The impressive results seen this past year were an anomaly in New York City; the curve on the state tests moved and an unprecedented number of schools received ‘A’s on the city’s school progress report. This past May, the city unveiled more challenging tests and has stated that the curve of both the Math and the ELA test will be more rigorous than this past year. The results will be released in late July. After these results are released, we suspect more schools will receive Bs, Cs, Ds, and Fs.

Through restart efforts, failing schools can experience dramatic academic achievement and forever alter the lives of more than 20,000 children who can attend a Success Academy and the more than 108,000 others whose one essential hope is education. All students deserve a quality education and through re-start efforts all students will receive a quality education.

SCN has proven that it can provide a rigorous education while also seeing scholars laugh, draw, and hang upside down on monkey bars. In order to turn around these schools, SCN has to execute its playbook of highly effective leaders focused exclusively on high academic standards, thoroughly trained teachers who know how to differentiate instruction to ensure all scholars achieve, a varied curriculum that ignites the passion of education in all scholars, an engaging environment that encompasses families into the learning of their scholars, and a business minded team who deals with all of the

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operational aspects of the schools—budgets, supplies, facilities negotiations, food, and family engagement.

New York State has identified one failing elementary school in NYC Districts 3 through 8. We know this number is going to rise dramatically in the next couple years. SCN sees no need to wait for the state to dub a school as ‘failing’ before pursuing all possible means to provide its students with a high quality education. There are already 88 elementary and middle schools in Harlem and the South Bronx where more than 50% of its students have failed the New York State ELA. SCN would argue that the New York State tests are a low bar and if 50% are failing this low bar, the reading and writing levels for these students is surely bleaker than even the 50% failing mark portrays. While it is agonizing that many of these failing schools happen to be co-located with our Harlem and Bronx Success Academies—Harlem PS 149, PS 241, PS 101, Mosaic Academy, and Bronx PS 30 – it also presents a unique opportunity. Success Academies’ amazing results have demonstrated if SCN’s school model is implemented, it can have a dramatic academic effect on the very same students in the very same building.

Some critics might say that the student body in a zone school is not the same as the student body in a charter school. The argument suggests that parents and students who apply to charter schools have to have the wherewithal to apply to a lottery to attend a charter school. Success Academies may be unique in this category. Two-thirds of age eligible students in Harlem applied to a Success Academy this past year. In addition, Success Academies embrace all students—including English Language Learners and students with special educational needs. SCN does a significant amount of door to door outreach about Success Academies to ensure that every child in the neighborhoods

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Success Academies serve know about the schools. We ensure that the application process is very easy for families. Our goal is to offer a quality education for *all* children in the Harlem and the Bronx, and erase the achievement gap between them and their more advantaged peers.

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Matching

Success Charter Network (SCN) is requesting \$9.1mm over the next five years, starting in 2010. Through fundraising and philanthropic efforts, Success Charter Network is prepared to match 25% of the funds, or \$2,275,000 received through this grant. Our expert staffing, fundraising prowess, and solid track record of success makes us confident we can reach this goal.

Since it's inception in 2006, SCN has raised \$9.1mm to start its seven schools and millions more to support the network without having a dedicated Director of Development. With only a sliver of the network's attention, SCN already has more than what is needed to cover 25% of this grant in 2010-2011. The recent Penn study and other awareness-generating events have created even more interest.

The attention on charter schools in the past year has literally exploded. Four years ago, SCN had to explain what a Charter Management Organization was and how a charter school was different from a traditional public school. Today, one can't open the *Newsweek*, *Daily News*, *The New York Times*, or *The Wall Street Journal* without reading an article about charter schools. And since Success Academies hold the coveted spot as one of the top charter schools in New York City, inquiries of support have mushroomed. The demand to work for SCN, to teach at a Success Academy, to attend a Success Academy, and to support our mission is unprecedented.

SCN has the management talent and the business plan needed to eradicate the achievement gap. But a team and a plan are not enough. SCN also has the invaluable support of many of the major educational foundations and high net worth individuals to financially support our growth initiatives.

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In addition to our internal talent, SCN has access to more than 110 board members. Our board members range from the top leaders in the financial community to the top thought leaders in education. They serve as an impressive network linked to some of the highest net worth individuals in the country. This network enables us to attract more board members, of which, we need approximately 15-20 per year, and to attract more funds to match this grant.

Each year, our network of support grows, our success expands, and our impact on eradicating the achievement gap widens. By winning this grant, SCN is well positioned to turn around the lives of thousands of students, turn them into successful college graduates, and help us to lead the United States back to the academic powerhouse position it once held.

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Invitational Priority

Students with Disabilities and English Learners:

Success Charter Network (SCN) believes deeply that all scholars can achieve. We are particularly interested in ensuring that the very scholars who are often left behind are first in line to benefit from our impressive results. That's why for the 2010-2011 Success Academy admissions lottery, SCN gave special preference to students categorized as English Language Learners. In addition, because we've seen such dramatic results from quickly identifying and graduating students out of special education, we've seen an increase in demand from students with Individual Education Programs (IEP). Because demand has grown, the percentage of our special education population has grown and now SCN is able to offer Collaborative Team Teaching (CTT) classrooms in many of the grades we serve.

SCN has invested in the infrastructure and support teams to ensure our Special Education and ELL students are fully supported. We have robust Special Education teams that include specialists with a variety of skills from across multiple disciplines and that enable us to focus on the full spectrum of the unique needs of our scholars - psychological, speech, and occupational therapy. These teams work to train our entire staff, including our Specials (art, dance, yoga, music, theater, sports, chess) teachers on how to best differentiate instruction so that all of our scholars are mastering every concept taught each day.

Special Education

Currently, 14% of SCN students require special education services. As the school gets larger, this number increases. These students are held to the same standards as those not receiving such services. We know that all of our scholars are capable of learning

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everything that is taught; some students just have a different way of mastering the material. As such, SCN does not assess any students based on alternate academic achievement standards. All students are expected to master the same rigorous standards, and teachers are expected to work as hard as needed to ensure that ALL of their students master the material.

SCN has had great success serving special education students. In the 2009-2010 academic year, the schools attained the following impressive academic results:

- On average, first graders made more than 1.6 grade levels of growth in reading.
- During the spring semester, more than 97% of students showed high proficiency (80% competence or above) in all mathematics units.
- On average, first graders made 1.5 grade levels of growth in social studies and science.
- By the end of the year, we had no third graders who were below grade level and in fourth grade, we reduced the number special education students who were below grade level from 80% to 20%.

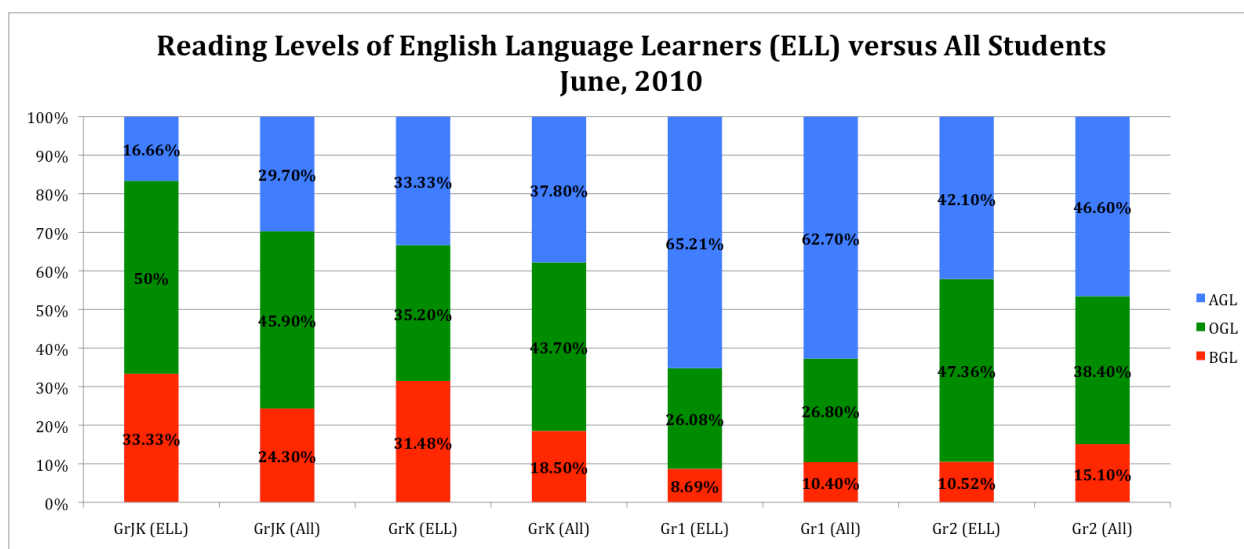
Every eight weeks students are formally assessed using the *Fountas and Pinnell* reading assessment. The results are immediately reviewed and teachers create action plans for all scholars aligned with students' Individualized Education Plans. Using a modified Response to Intervention (RTI) system, students' learning needs are assessed and students are placed into or graduated out from Tier I (in-class differentiation), Tier II (pull-out and push-ins with a Special Education teacher), or Tier III (special education services). Strategies and specific goals are set for each of the eight weeks in the upcoming cycle.

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Results for our English Language Learners

Year-end reading results show that English Language Learners (ELL) as a group are outperforming the general student body. To track reading growth, Success Academies administer the *Fountas & Pinnell* benchmark assessment test (F&P). The graph below shows year-end F&P performance comparing ELL students to all students. Both student groups' results have been placed side-by-side by grade to help you compare.

In the chart, you will see two columns for each grade, starting with our Kindergarten for 4 year olds, then Kindergarten, then first grade, and then second grade. The chart is broken up by blue, which represents the percentage of scholars above grade level (AGL), then green, which is on grade level (OGL), and red, which represents students who are below grade level (BGL). If you look at the first grade and second grade students, you will see that our ELL students are outperforming non-ELL students with



smaller percentage of below grade level students. In first grade, a greater percentage of ELL students are above grade level.

We are very encouraged by the year-end ELL reading results for a number of reasons. First, our ELLs are keeping up with their peers and achieving ambitious

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performance and growth targets that we set for all of our students. Second, in Kindergarten for 4-year-olds, first, and second grade, a smaller percent of ELL students is reading below grade level than the overall student body. Third, our ELLs achieved these results through normal academic interventions. We did not provide specialized ESL instruction or tutoring to help these students overcome language barriers. Instead, we minimized the time ELLs spent outside the classroom and let them benefit from the same rigorous academic program as their peers. All the while, we closely monitored their progress to ensure they were learning at high levels and, in some cases, provided extra support.

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Attachment 1:

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Selection Criteria

(a) Quality of the eligible applicant

Success Charter Network (SCN) operates public charter schools in high poverty neighborhoods founded on a simple premise: every student can succeed. SCN's commitment to success demands that all students in its Success Academies not only meet but also exceed New York State and Common Core standards in all subjects. The laser focus that the principals and the teachers have on this goal has paid off—by all standards, Success Academy scholars are reading, writing, and calculating ahead of both their neighbors and their more affluent peers. SCN's results on *Fountas and Pinnell (F&P)* assessments consistently top the charts, student performance on the nationally-normed Terra Nova demonstrate that SCN scholars are reading and calculating at a level higher than their peers, the writing samples consistently rival the work seen by affluent school districts, and the attendance records so that our families are dedicated to the education they receive at a Success Academy.

SCN's frequent assessments inform instruction and, in effect, guarantee continual improvement. Because all Success Academies follow the same curriculum and the same testing calendar, results are easily replicated to deliver success to all scholars. SCN has proven four times over it can achieve phenomenal results implementing its rigorous model in elementary schools in neighborhoods congested with low performing schools. With every school that opens, the systems become more refined, and the learning becomes more profound. This ability to successfully replicate is a key part of our decision to continue to expand our network.

SCN administers several different types of tests throughout the year. Below you will see the results of both external and internal assessments. The third grade New York state Math and ELA test is given in May and is scored on a scale of 1, the lowest score to a 4, the highest score.

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SCN administers all state examinations required to measure student progress toward meeting state learning standards; SCN does not seek any exemption(s) from state testing requirements.

The *Fountas & Pinnell* test is a one-on-one reading assessment given to all students starting in Kindergarten for four-year-olds up to our fourth graders. It is scored from an A to a Z, with the letter corresponding to the independent level of the reader. In addition, SCN administers four writing prompts per academic year. This is an internal test scored on an internal rubric. The Terra Nova test is a nationally normed test that we administer to our Kindergartners, first graders, and second graders. This test compares Success Academy scholars against the national average.

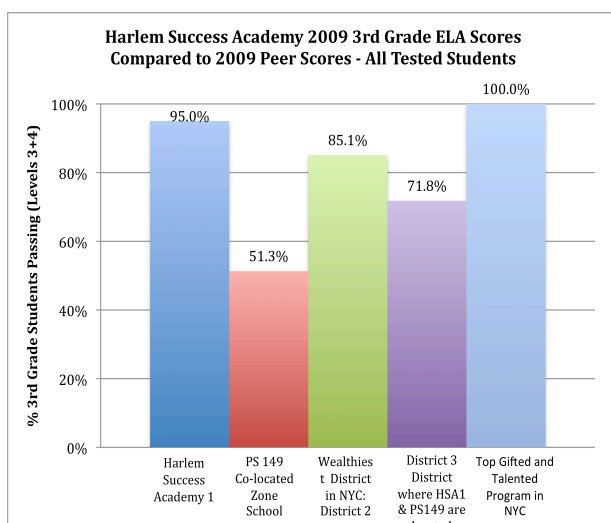
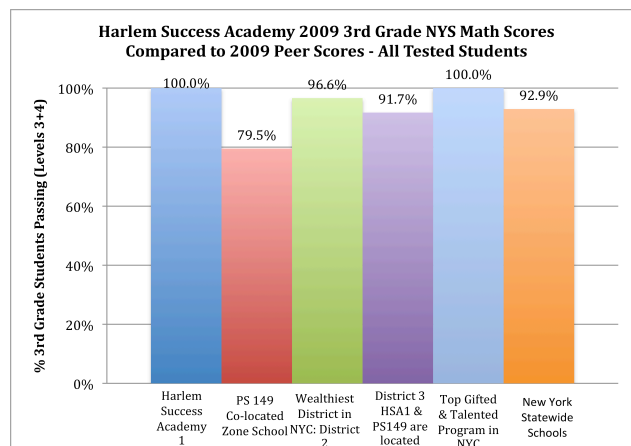
SCN also administers standardized tests that serve as objective, externally-verified measures of yearly student progress in reading and math. These national standardized exams help SCN determine how well students are learning core academic subjects in comparison with national benchmarks, and are used to guide instruction. Given our close attention to multiple measures of student achievement, and the integral role they play in calibrating our instruction to the needs of our students, it's no wonder the New York Times recently said, Harlem Success Academy is "known for a relentless emphasis on data."

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Third Grade New York State Math and ELA Test

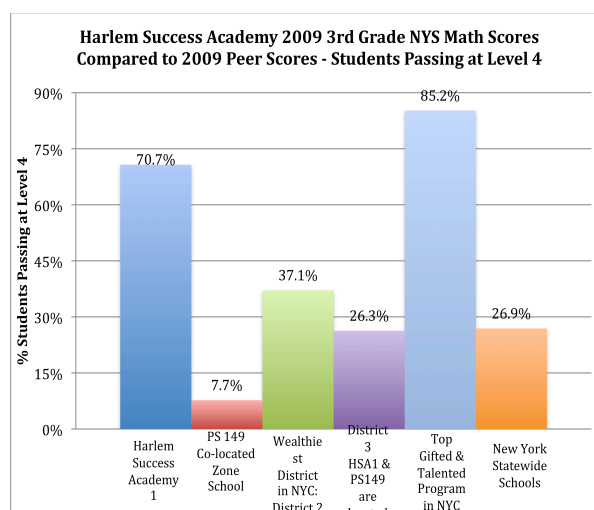
According to *The New York Times*, Harlem Success Academy ranks number #32 out of nearly 3500 public schools in New York State. No public school in the state

scored higher than Harlem Success on the Math exam (Harlem Success is tied for #1).



achieving the top score of "4," ranking the school #2 out of all public charters in the state. Harlem Success Academy outperformed its school district by nearly 25 percentage points in English Language Arts. The percentage of students "advanced proficient" in Math surpasses even the affluent Upper East Side of Manhattan by nearly 35%.

100% of Harlem Success 3rd graders passed the Math exam, with 71% achieving the top score of "4," ranking the school #1 out of all public charters in the state. 95% of Harlem Success 3rd graders passed the English Language Arts exam, with nearly a quarter



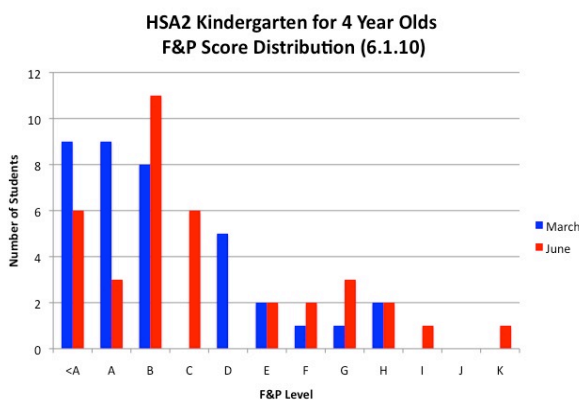
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Fountas and Pinnell—One-on-one reading assessment

SCN uses a *Success For All* developed Roots Assessment to test Kindergarten and 1st Grade students. The results are used to place students in to the appropriate instructional level at the beginning of each reading cycle. The information garnered from this exam enables teachers to identify students who need intervention at a very early stage and guides both classroom instruction and one-on-one and small group tutoring interventions. In addition, Success Academies administer the *Fountas and Pinnell* (F&P) reading assessment to generate criterion- and norm-referenced data for every student, including a percentile rank, stanine, normal curve equivalent, grade level standard, and performance standard. The F&P is initially used to gather baseline data and is then administered every 8 weeks to gather data on student progress. The data is used in a variety of ways, but most importantly is used to place students in the appropriate reading classes which are grouped by reading levels and to quickly identify students who may need a bit more help.

Unlike most schools, which only comply minimally with accountability requirements and begin accountability assessments in 3rd grade, when 3 critical years potentially have already been lost, we begin age-appropriate assessments from the time students enter our school in Kindergarten for four-year-olds. To set our yearly F&P goals, we looked at the ranges that the test administrators give for each grade and anchored our goals on the highest score within the range. We offer a Kindergarten program for 4-year-olds at Harlem Success Academy

2. If you look to the chart above, you'll see the results have been phenomenal. The range for a



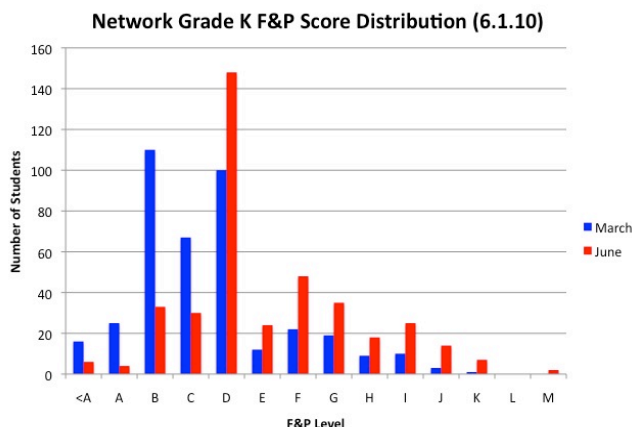
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traditional Kindergarten program is a 'B-D'. The F&P ranges from an 'A' and goes to 'Z'. As a student progresses from one grade to the next, her reading level moves through the alphabet culminating at a level 'Z', which typically happens in 6th or 7th grade. Our Kindergarten for 4-year-old teachers and scholars had a goal to read at a level 'B' by June. As you can see by looking at the chart above, many of our scholars were reading at a level well above 'B'. To read the chart, look at the red lines, these lines indicate the number of students reading at each level in June, our last test administration. The blue lines indicate the progress scholars made from the March administration to the June administration. Out of the 37 scholars in this program, 28 of them were reading above a level 'B' by the end of the year. For many schools, this is the year-end goal for traditional Kindergarten students.

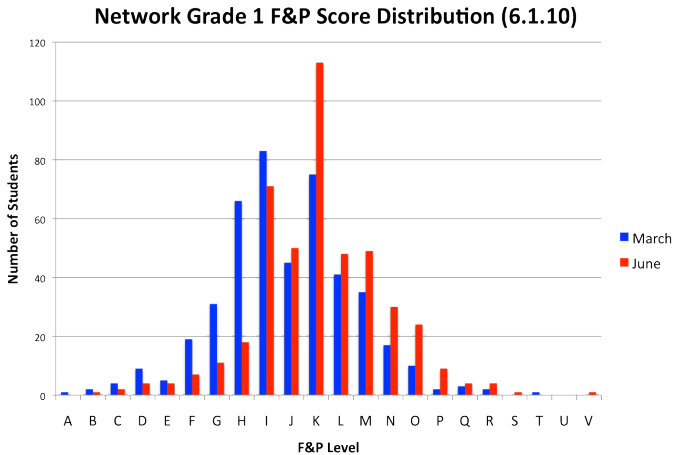
Our Kindergarten program shows a similar story. The range for Kindergarten is a 'B' to a 'D'. The year-end goal for all of our scholars was to read at a level 'D' by June. This was an ambitious goal considering many of our

scholars were well below grade level when they started their education at a Success Academy in August.

Out of 394 Kindergarten students at the four Success Academies, 81.5% were reading at or above a level 'D'. It should be noted that there are 73 scholars who are reading below 'D', of which most are reading in the 'B' and 'C' range, which is the yearly goal for many schools. You can also see, that many of the scholars are reading at the 'E', 'F', 'G', 'H', 'I', 'J', 'K' and 'M', range which are all significantly above grade level.



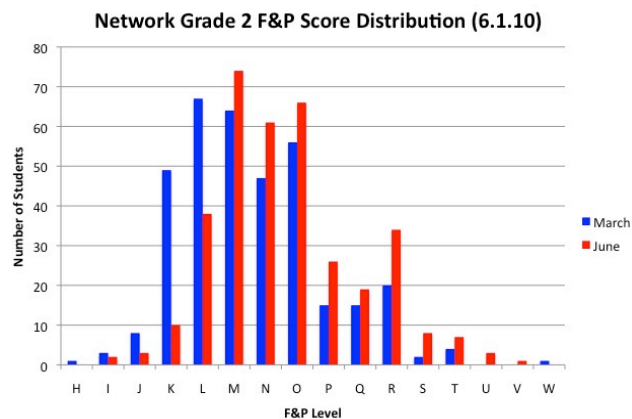
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For 1st Grade, SCN set the end of year goal at a level 'I'. If you look at the results, we surpassed this goal. We had a fair number of students entering 1st grade who attended Kindergarten at a Success Academy, but we also had a large percentage of scholars who were new to

a Success Academy. Given how many scholars entered Success Academies without the benefit of our Kindergarten program, the results are truly impressive. Again, looking at the red lines, our end of year goal was an 'I'. You can see the mode was two levels above our goal, at a 'K', with a fair number of scholars reading at an 'L', 'M', 'N', 'O' and one impressive first grader reading at a level 'V'. Of our 451 1st graders, 89.6% met or exceeded our year-end goals, with 62.7% far exceeding the goal. We have 47 scholars reading below a level 'I' which again, by most standards would be an adequate year end goal for 1st Grade.

For 2nd grade, the results are just as impressive. Our year-end goal for our 2nd Grade students and faculty was to have the grade reading at a level 'M' by June. Out of 352 2nd Grade scholars, 85% hit this goal, of which 46.6% far exceeded the goal. The majority of the scholars reading below a level 'M', are right on the cusp one level below goal at a level 'L'.



Writing Prompt

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The writing rubric SCN employs is similarly rigorous. SCN believes that one of the keys of being successful in college is a student's ability to write well. Our goal is to ensure that all of our scholars are writing at a level that far exceeds the most prestigious public and private schools in the city. We launched our new writing rubric in January in just six months, 56% of our Kindergarteners, 33.7% of our first graders, and 23.5% of our second graders were meeting or exceeding our rigorous expectations. Heading into this upcoming school year, we are well positioned to have the most rigorous writing curriculum throughout the city; well ahead of our more affluent peers.

Terra Nova Test

In addition, SCN uses the Terra Nova exam developed by CTB-McGraw Hill as a nationally-normed exam that measures student achievement in Reading, Language, and Math. SCN administers the Terra Nova to its Kindergarten, first, and second grade scholars two times each year; once in the fall and again in the spring.

The Terra Nova is administered to Kindergarten students in January and again in June. If you look to the right, you will see

the results for the 2009-2011

academic year. We compare our

four schools: HSA1 (blue), HSA2

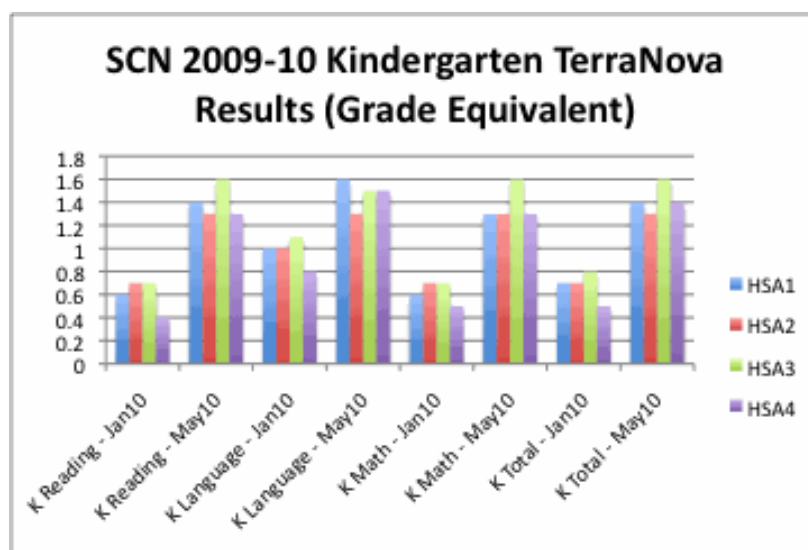
(red), HSA3 (green), and HSA4

(purple). There are several sections

to the test: Reading, Language,

Math, and Total. The way you

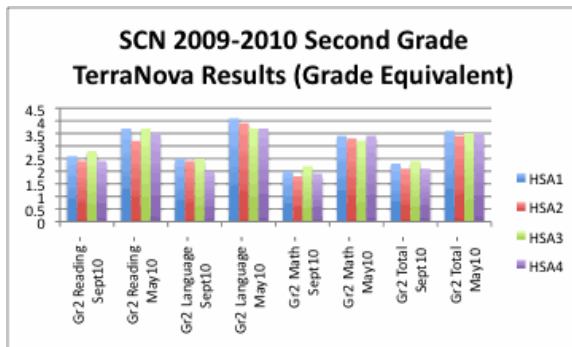
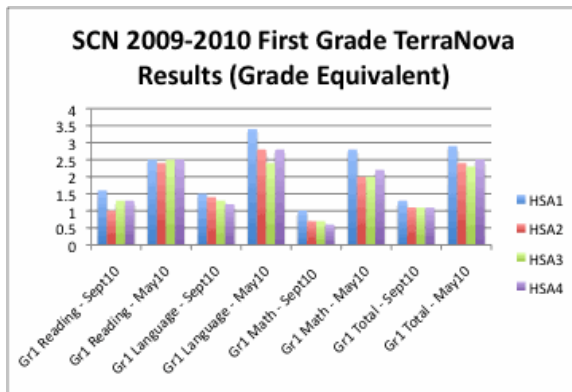
read the scale is to look at the numbers on the Y-axis. '0' correlates to 0 years of school, '.2)



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would indicate 2 months of education, or where a Kindergarten student should be at the end of October. In January, you will see that the kindergarten students were scoring an average of 0.6 which is equivalent 6 months of education. Given that our school year starts in August, our scholars were a bit above average. You will see that by May, the scores went up to above grade level by as much as a half a year above grade level.

First grade saw similar results. This test shows that the majority of our scholars were on grade level at the beginning of the year, except for math, where three of our schools were below grade level. By May, our scholars were well above grade level, especially in Language.



Second grade also demonstrated that we're moving the academic needle for our scholars. Since many of these scholars have attended a Success Academy for at least a year, you will notice that by second grade, many of the scholars are already above grade level at the beginning of the year. By the end of second grade, Success Academy Scholars were at or above the third grade level, with our language scores placing our scholars at the fourth grade level.

Attendance Rates

One of the elements to SCN's success is our attendance rates. One of our annual school culture goals is attendance. As you see from the chart below, SCN averages 96% attendance

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rates across our schools compared to a much lower rate in the traditional public schools where our schools are co-located.

Attendance Comparison Success Academies to Co-located Schools							
2008-2009 Academic Year				2009-2010 Academic Year			
HSA1	96%	PS149	88.79%	HSA1	96%	PS149	91.79%
HSA2	96%	PS123	89.64%	HSA2	96%	PS123	90.11%
HSA3	96%	PS101	86.23%	HSA3	96%	PS101	90.53%
HSA4	95%	PS241	91.47%	HSA4	95%	PS241	92.66%
Average	96%		89.03%		96%		91.27%

SCN has recently been the subject of two external analyses conducted by the University of Pennsylvania's Graduate School of Education, validating that SCN's school model is poised to have a substantial effect on the educational outcomes of high-need scholars and eradicating the achievement gap. The studies found that students admitted through a random lottery to SCN's founding school, Harlem Success Academy (HSA), performed markedly better (13-20%) than both students who applied but were not admitted through a random lottery and students who had not applied for admission but lived in geographically and demographically comparable districts in New York City.

The first analysis capitalized on SCN's assignment of students to the school via random lottery by comparing the performance of the students who were chosen by random lottery to attend HSA against those who were not chosen. Evaluation theorists consider such a randomized design, in which participants in a program are randomly chosen to participate and compared against those not selected to participate to be a true experiment in which causal claims of the

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attribution of an effect to a treatment can be made. In such cases, internal threats to validity (i.e. mis-attributing the results of a study to the treatment) such as the differences between the treatment and control groups on important but unobserved characteristics are eliminated.

The second analysis consisted of a quasi-experiment in which the performance of HSA students was compared to that of a matched comparison set of geographically and demographically similar New York City DOE District 3 elementary schools (HSA is located in District 3). Eight schools were chosen to represent a reasonable comparison group of elementary schools that were located in Harlem and served similar socio-economic populations of students.

Both studies employed a similar analytic design. Ordinary least squares (OLS) regression was employed that used either Mathematics or English Language Arts (ELA) student scaled scores as the outcome (dependent) variable. Independent variables included in the analyses were student school condition (HSA or not HSA), student gender, student age, and student special education status. Due to the small numbers of White and Latino students at both HSA and in the lottery non-attenders, ethnicity was not included in the models. The analyses consisted of four final models:

- Model 1: HSA vs. those not selected by random lottery in Mathematics, controlling for student demographic characteristics.
- Model 2: HSA vs. those not selected by random lottery in ELA, controlling for student demographic characteristics.
- Model 3: HSA vs. other similar school 3rd graders in Mathematics, controlling for student demographic characteristics.
- Model 4: HSA vs. other similar school 3rd graders in ELA, controlling for student demographic characteristics.

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SCN provided the team with a list of students who applied to HSA and were entered into the lottery as rising 1st graders in 2006. This list included both those who were selected via the lottery (n=79) as well as those who were not (n=97). The evaluators also obtained a list of 3rd graders in 8 schools that were to be used in the quasi-experimental analysis (n=545).

The New York City DOE provided data for the HSA students, the comparison students, and the 3rd graders in the eight geographically and demographically similar New York City schools. Table 1 shows the demographic information of the three groups.

Table 1. Demographics of 2009 HSA 3rd graders, those not selected by HSA, and 3rd graders in other similar Elementary Schools.

	HSA 3 rd Graders	HSA Not Selected	Other 3 rd Graders
Sample Size	79	97	545
Number Male	40	46	286
(with percent)	(51%)	(47%)	(52%)
Age (as of 12/31/09)	9.45	9.49	9.73
(with standard deviation)	(.32)	(.36)	(.53)
Attendance Rate	99.34	90.25	90.09
(with standard deviation)	(2.10)	(10.70)	(9.97)
Black	63	72	303
(with percent)	(80%)	(74%)	(56%)
Latino	13	22	217
(with percent)	(16%)	(23%)	(40%)
White	3	1	14
(with percent)	(4%)	(1%)	(3%)
Other	0	2	11
(with percent)		(1%)	(2%)

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ELL	0	4	112
(with percent)		(4%)	(21%)
Special Education	12	23	117
(with percent)	(15%)	(24%)	(21%)

Due to student mobility, 19 of the original 79 (24%) students chosen by lottery to attend HSA were no longer in the school. Additionally, 21 of the 97 (22%) in the original comparison group (i.e. those not chosen in the lottery) were reported by the NYCDOE to be not attending NYC schools in 2009. Because of this attrition in both the original HSA population and the comparison group, the analyses became those students who persisted in HSA as compared to those who remained in New York City schools. There were no observed differences in the demographics of those who left or those who remained for either population.

Table 2 shows descriptive statistics of the student performance of the three groups of 3rd grade students that were examined in this study. The student performance data are shown on two metrics: scale scores and performance levels. The scale scores represent continuous scores on a range of performance, while the performance levels show the number of students falling within State-defined categories. Both representations show that the HSA 3rd graders outperform both those 3rd graders that were not selected by the lottery to attend HSA and the 3rd graders in the other geographically proximate and demographically similar schools.

Table 2. Performance as measured by scale scores and performance categories of 2009 HSA 3rd graders, those not selected by HSA, and 3rd graders in other similar Elementary Schools.

	HAS 3 rd Graders	HSA Not Selected	Other 3 rd Graders
Sample Sizes			

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Mathematics	60	76	526
ELA	60	74	511
Range of Scale Score Points			
Range of Mathematics Scale Scores	677-770	470-770	470-770
Range of ELA Scale Score	644-780	578-720	475-720
Scale Score Mean & Standard Deviation			
Mathematics Scale Score	732	682	673
(with standard deviation)	(36)	(44)	(31)
ELA Scale Score	693	658	651
(with standard deviation)	(30)	(28)	(30)
Mathematics Performance Distribution			
Mathematics Level 1: Not Meeting	0	3	11
Standard (n and percent)	(0%)	(4%)	(2%)
Mathematics Level 2: Partially	0	8	77
Meeting Standard (n and percent)	(0%)	(11%)	(15%)
Mathematics Level 3: Meeting	18	52	382
Standard (n and percent)	(30%)	(68%)	(73%)
Mathematics Level 4: Meeting	42	13	56
Standard w/ Distinction (n and percent)	(70%)	(17%)	(11%)
ELA Performance Distribution			
ELA Level 1: Not Meeting	0	5	44
Standard (n and percent)	(0%)	(7%)	(9%)
ELA Level 2: Partially	3	16	190
Meeting Standard (n and percent)	(5%)	(22%)	(37%)
ELA Level 3: Meeting	43	50	267
Standard (n and percent)	(72%)	(68%)	(52%)

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ELA Level 4: Meeting	14	3	10
Standard w/ Distinction (n and percent)	(23%)	(4%)	(2%)

The descriptive statistics of 3rd grade student performance appear to favor HSA, but do not test for statistical differences between the groups. Therefore, regression analysis was employed to test for statistical differences in performance. The results of the analyses show consistently strong and statistically significant effects of HSA across the different subjects and comparison groups. Details of the statistical results are shown in Table 3.

Table 3: Performance of HSA students as compared to those not selected to attend HSA and 3rd graders in other similar Elementary Schools.

Variable	Model 2			
	Model 1 HSA vs. those not chosen by Lottery in Mathematics	HSA vs. those not chosen by Lottery in English Language Arts	Model 3 HSA vs. other 3 rd graders in Mathematics	Model 4 HSA vs. other 3 rd graders in English Language Arts
Intercept	836.19	660.83	656.43	665.94
HSA	47.65 ***	34.97 ***	57.95 ***	39.58 ***
Male	-2.68	-8.72	-.62	-5.47 *
Age	-15.25	.55	2.21	-.66
SPED	-46.40 ***	-30.21 ***	-22.24 ***	-28.48 ***
R-Squared	.42	.38	.30	.29

* p < .05; ** p<.01; *** p<.001

Model 1 shows the comparison of the HSA 3rd grader performance in Mathematics in comparison to those 3rd graders in NYC that were not chosen in the lottery to attend HSA. The

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HSA 3rd graders performed a statistically significant 48 points higher in Mathematics than did the 3rd graders not chosen by lottery to attend HSA. In ELA, the HSA 3rd graders performed a statistically significant 35 points higher than did the 3rd graders that were not chosen by the lottery to attend HSA and attended other New York City schools.

Models 3 and 4 show the comparisons of the performance of HSA 3rd graders relative to the performance of 3rd graders in demographically and geographically similar schools. These results show impacts of even larger magnitude than the comparisons to the lottery comparison group. In mathematics, HSA 3rd graders performed 58 scale score points higher than did the 3rd graders in the comparison schools. In English Language Arts, HSA 3rd graders performed 40 scale score points higher than did the 3rd graders in the comparison schools.

An examination of interactions between HSA and the other covariates showed no significant interactions. That is, HSA 3rd grade student performance relative to the comparison group 3rd grade students did not significantly vary by gender, age, or special education status. Overall, the models explain approximately 30% to 40% of the variation in student performance.

Overall, these results show statistically significant and educationally substantial effects associated with effectiveness of the SCN educational program. Of the two analyses, the most meaningful results were the large and significant differences between the students who were chosen by random lottery to attend HSA and stayed through 3rd grade in comparison to those who applied to HSA but were not chosen by lottery. The comparisons of the HSA attendees to 3rd graders in geographically proximate and demographically similar schools showed even larger differences in performance in favor of the HSA students.

SCN plans to scale its program by opening more schools and reaching additional students throughout New York City over the next 5 years. At the conclusion of the grant period, SCN

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Success Academies would be educating 6,661 students across the city. And since the program will be entirely self-sustaining at the conclusion of the grant period, an investment in SCN now will impact more than 20,000 students enrolled in Success Academies by 2020.

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
SCN Elementary Schools	7	8	10	12	14
SCN Middle Schools	1	1	3	3	5
SCN Students	2,247	3,018	4,197	5,362	6,661

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(b) Contribution in assisting educationally disadvantaged students

Success Charter Network (SCN) provides a rigorous education that starts with 4-year-old scholars and extends to their families by giving the entire educational community a solid framework for what it means to be college and career-ready. SCN's mission is to eradicate the achievement gap by educating students early and teaching families and communities what it means and how to be college and career-ready in today's society. Independent research shows that participation in SCN's rigorous elementary schools located primarily in Harlem and the South Bronx increases student achievement by 13-20%. These results are particularly impressive because SCN serves a high-risk population of educationally disadvantaged families. Students in Harlem and the South Bronx consistently perform poorly on state and city assessments. More than 38% of Harlem and South Bronx students in Grade 3 through 8 failed the NY state English Language Arts test in 2009. These communities are deeply afflicted by poverty and its corresponding social ills: poor housing, failing schools, inadequate health care, domestic violence, and child abuse. As of the 2000 census, 11.3% of Americans lived in poverty. In Harlem, 36.6% of the population lives in poverty. The median household income of \$22,862 is approximately 60% the city's median income of \$38,519 and is less than half the country's median income of \$52,029. Only 14.6% of adults 25 years of age and older living in Harlem are college graduates. This is nearly half the city rate of 27.4%.

SCN starts with our innovative Kindergarten Program for four-year-olds, which prepares graduates for the academically rigorous SCN kindergarten program and, for many of our scholars, for 1st Grade. All too often, four-year-olds are left to languish in pre-K programs that don't inspire and often times result in students missing a prime opportunity to eliminate the achievement gap before students start Kindergarten. SCN has relished the opportunity to

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transform this critical time with scholars to engage them, peak their curiosity, and set habits of reading, imaging, and learning to play.

SCN teaches our scholars the essential cognitive literacy and mathematical skills that help them succeed in core subjects, while also developing their emotional and social readiness for school by fostering a cooperative learning environment and teaching self-discipline while simultaneously providing ample opportunity for play and exploration. By the time our scholars turn five, they have robust oral language skills, a love of reading, phonemic awareness, a strong grasp on phonics, a well-developed vocabulary, and listening comprehension skills that exceed their more affluent peers.

With college graduation and career-readiness as its end goal, the Instructional Development team has defined sequential milestones that students must reach at the end of each grade. This deliberate planning ensures that there are no gaps in learning from one year to the next. Teachers collaboratively plan lessons and spend time observing colleagues in abutting grades to ensure goals are aligned and expectations across the early learning years are consistent.

SCN extends beyond the walls of our schools and reaches into our family's homes and communities. While our results prove that the work we are doing in our classrooms is making a huge impact, we know we can improve outcomes even more if we partner with our parents and help them help not only our scholars, but also their younger and older siblings, succeed. In our unique Parent Education Program, we teach families how to support their children's learning. For many of our scholars, by the time they reach us in Kindergarten for four-year-olds, they are already below grade level. Hart and Risely's research cited in *Atlantic Monthly* demonstrates that children who live in professionals' homes are exposed to an average of more than fifteen hundred more spoken words per hour than children in public assistance housing. Over the course of one

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year, that amounts to a difference of nearly 8 million spoken words, which, by age four, amounts to a total gap hearing 32 million fewer words. Starting at birth, children need to hear words spoken to them continuously to support their cognitive development. We teach our families how critical it is to read to their children, to talk to them, and to ask them questions that engage them in the learning process.

SCN hosts family reading nights to teach families the importance of reading together as well as how to read stories to children. We send our scholars home each night with book baggies (iPads for older scholars), and every family is given a New York City library card and an assignment to read a book every night. By the end of the school year, SCN scholars read approximately 340 books outside of school. To date, SCN scholars have read 379,850 books. Daily reading assignments engage the entire family, specifically younger siblings.

Educating students so that they can ace high-stakes tests is critically important but certainly not the end game. The goal of each Success Academy is not merely proficiency on assessments or high school graduation, but rather a strong, well-rounded education that allows our inner-city scholars to graduate from college and succeed in life. Being on grade level is not enough. SCN strives to ensure its students are achieving above grade level – on par with the most elite public and private schools in the nation. Students commonly take – and excel at – standardized tests written for grade levels above them. Their writing is compared to writing samples taken from the most prestigious schools in the country. SCN believes pushing its students to excel at advanced levels like this is the only way to truly prepare them to be successful in college and beyond.

From the moment students are accepted into a Success Academy they hear and see the benefits of a college education every day. Scholars are not known as kindergarteners or first

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graders, but rather as the Class of 2027 or 2026 (the year they will graduate college). They are not in Ms. Jackson's or Mr. Derek's class, but rather in Brown University or Spelman College (the alma mater of the classroom teacher). Every classroom is adorned with a college corner with banners and pictures of famous alumni from the teacher's alma mater complete with photographs of the teacher graduating from college. An 'Education Pays' poster hangs prominently in every classroom comparing the salaries of students who have some high school work under their belts to students who have completed a doctoral program. The conclusion: Are you missing out on \$2 million? And every year, the entire school (including four-year-olds) visits a different college so that students can meet college students and professors and hear about their experiences. By the time SCN scholars graduate from middle school, they will have visited no fewer than 9 colleges, from community colleges to Ivy League universities, making the goal of going to and graduating from college a natural link and a tangible goal.

SCN also works with its students and their parents on issues of college expectations, access, and affordability. It holds workshops for parents to explain the financial aid and college application process. Since college graduation is the goal, SCN has to make sure that parents are effectively saving for college and learning about the financial aid process. Financing a college education starts long before a student is admitted. SCN helps ensure that parents are armed with the information they need to effectively navigate not only the ever-changing college admissions process, but also the financial aid maze of grants and the dizzying array of financing options.

Through this combination of an advanced and rigorous curriculum beginning with four-year olds, meaningful family engagement, and a focus on college-readiness, SCN is ensuring that the 20,000 educationally disadvantaged students it will be serving over the next decade will be

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able to succeed in college and in life at the same high level as their peers from affluent communities.

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(c) Quality of the project design

SCN currently operates seven schools in Harlem and the South Bronx. Independent studies and state assessment results have shown the Success Academies to have a significant positive effect on the learning of students living in low-income, high-minority communities. This project will fund twelve more Success Academies, two research projects, and a comprehensive evaluation. This grant will enable SCN to continue to increase the scale of its educational effectiveness. Each of these schools will follow the same school model and will have the same ambitious goals.

- At least 95% of students will achieve a Level 3 (proficient) or Level 4 (advanced) on standardized New York state tests in English/Language Arts, Mathematics, Science, and Social Studies, with at least 30% scoring a 4.
- The percentage of Title 1 scholars scoring at Levels 3 or 4 will be on par with, if not exceed, wealthy New York school districts
- All students will achieve more than 1 grade level of growth each year in all subject areas as measured by a nationally-normed standardized test, such as the Terra Nova.
- Schools will have at least 96% of its scholars in attendance every day, who are on-time, dressed in uniform, with their homework and reading logs complete.
- All family academic events will be attended by at least 95% of our families.

SCN knows it will be able to achieve these results because it is already achieving them at its current schools, and it already has the team in place to open more high-performing schools.

SCN is committed to rigorously evaluating its program in an effort to constantly improve and refine it. The evaluators selected for the program have a long history of effective experimental design and evaluation. Sherryl Browne Graves is Professor and Acting Dean of the Hunter College School of Education, and Gess LeBlanc is Associate Professor and Acting Chair

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of the Department of Educational Foundations and Counseling Programs within Hunter College's School of Education. Caroline Hoxby is the Scott and Donya Bommer Professor of Economics at Stanford University, a Senior Fellow of the Hoover Institution, the Director of the Economics of Education Program at the National Bureau of Economic Research, and a Presidential appointee to the National Board of Education Sciences. Full bios can be found in the Appendix.

Hoxby's New York City Charter Schools Evaluation strives to demonstrate how New York City charter schools affect the achievement of students who attend them. The core of the study uses a randomized design, taking advantage of the admissions lotteries that charter schools hold. "Lotteried-out" students form a natural and appropriate comparison group for "lotteried-in" students, as randomization ensures that the two groups are similar not only on observable characteristics such as race but also on unobservable characteristics such as motivation and family support. Lottery-based analysis is strongly favored for evaluation of charter schools by the U.S. Department of Education (Institute for Education Sciences) and the National Institutes for Child Health and Development. These two organizations are helping to fund the study.

The primary outcome of interest is students' achievement, which Hoxby will measure using students' scores on New York's statewide examinations. The study will compute the individual effect of a Success Academy education on its students' achievement and will compare the lottery-based results to findings based on value-added analysis and matching-based analysis.

The main objectives of Hoxby's study are to answer an array of questions probing at the unique elements of SCN's school model. The strategy for analyzing the effects of attending a Success Academy on student achievement is as follows. Using the lottery information gathered from SCN, students are classified as lotteried-in or lotteried-out for the coming school year. At

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the time of the lottery, Hoxby will cull baseline information on race, ethnicity, free- and reduced-lunch eligibility, special education status, and ELL classification. This allows Hoxby to determine whether lotteried-in and lotteried-out students are comparable. Each lottery is assessed to confirm that it was indeed random.

Culling data from the DOE database, Hoxby will then compare the lotteried-in and lotteried-out students in each year subsequent to the lottery. This will allow Hoxby to compare the evolution of their achievement. Hoxby will evaluate the following effects: (1) the overall effect of being offered a place at a Success Academy – the "intention to treat" effect; and (2) the overall effect of attending a Success Academy – the "treatment on the treated" effect;¹ Some students who are lotteried-out in the first year then reapply to a Success Academy and are lotteried-in for a subsequent year. To maintain the randomized design, Hoxby will compare such reapplicants to other reapplicants who are lotteried-out each time.

Through experimental and quasi-experimental research and evaluation design, Hunter's research will focus on four aspects of SCN's school model in detail. Two aspects will focus on students: 1) the achievement of special education students and English language learners and 2) the nature of social and emotional development of students; and two aspects will focus on teachers and instruction: 3) the influence of the professional development model and 4) the fidelity to a modified RTI model for all students. A focus on the factors affecting the achievement of special education students and English language learners is important as SCN moves to the South Bronx where a greater percentage of students are labeled English language learners. Similarly, given the focus on admission of students at age four, the nature of social and

¹ The treatment-on-the-treated effect is estimated using an indicator for having been lotteried-in as an instrumental variable for an indicator of attending a Success Academy. It is different from the "intention to treat" effect because some students who are lotteried-in will actually decide to stay in the traditional public schools. The "intention to treat" effect includes all students offered the opportunity to attend a Success Academy. The "treatment on the treated" effect is the effect of attending a charter school, and it does *not* suffer from bias even if the lotteried-in students who decide to stay in traditional public schools are not representative of the lotteried-in students in general.

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emotional development of high achieving students becomes more relevant. Additionally, an examination of the professional development model will provide critical information regarding possible links between specific professional development activities and student performance. Furthermore, given the anticipated change in student demographics associated with the move to the South Bronx, it is equally important that the efficacy of the modified RTI model be examined.

Data for the evaluation will come from multiple and diverse sources including: standardized student assessment results, classroom observations, observations of professional development sessions, videos of classroom teaching, interviews and focus groups with various participants, examination of lesson plans and curriculum materials, review of student work, measures of student attitudes, and examination of classroom and other formative assessments

Results from the research will be reviewed and action plans will be created immediately to further refine SCN's school model. SCN embraces data and is equipped to assess results and implement changes immediately. In the same way SCN has proven it is nimble in analyzing, distributing, and acting upon test results, performance goals, and employee satisfaction surveys, it is also ready to learn from and act upon program evaluation data.

Since many of the components that will be tested are theoretically areas of the school model that require improvement, the results will prove entirely useful to help further refine SCN's school model and will serve as a school of learning for how schools can add innovative elements to the already successful model used by so many high-performing charters.

As SCN matures and its students graduate, SCN will track the number of its graduates who attend and graduate from college. This will help SCN to evaluate its effectiveness at educating students so that they are truly college-ready.

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Funding for these evaluations is included in the cost of the project. At the conclusion of the grant period, the annual evaluations will be funded through the self-sustaining nature of the project (described in more detail below). SCN desires to evaluate its effectiveness every year through rigorous experimental studies, not just during the grant period.

The key to any great innovation is codifying the experience and building upon it so that it can be leveraged by all organizations. SCN is doing just that. Over the past four years, it has developed a playbook for how to open and run great schools and will continue to build chapters as it learns and further refines its school model. This playbook is incredibly detailed and is continuously being updated and refined. It includes all aspects of SCN's academic program: its curriculum, assessments, and data usage program. But it also includes SCN's successful operational aspects: its teacher recruitment plan, its teacher and leader development programs, its school opening process, and its public policy playbook. SCN's extensive research and design has essentially created 4 playbooks in 1:

- School design
- Replication and scaling
- Teacher, leader, and staff recruitment and development
- Public policy and advocacy

SCN has already begun sharing its best practices with public, private, and other charter schools and plans to continue to do so. SCN currently runs intensive training programs for its own teachers and leaders; as it increases its capacity, it plans to invite teachers and leaders from other schools to participate so that it can spread its best practices efficiently and collaborate with other educators. As other successful CMOs have done, SCN speaks at education conferences, collaborates with other school operators, and develops resources to share with other schools.

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Additionally, SCN is positioned as a thought leader in the education sector preaching the message of rigorous standards and high expectations for all students.

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(d) Quality of the management plan
Business Plan

Prior to the opening of SCN's first school, Harlem Success Academy, founder and CEO Eva Moskowitz visited 300 traditional public schools and 58 New York City charter schools, as well as top-performing charter schools around the county including Aspire Public Schools, KIPP schools, High Tech High, several Uncommon Charter Schools, and met with experienced charter leaders throughout the country. As the former Chair of the Education Committee of the New York City Council, she had held hundreds of hearings on education – on topics ranging from the teachers' union contract to toilet paper – and she knew what underlying factors to examine in order to determine how to run a successful school where low-income, minority students would be able to achieve at the same high levels as their more affluent peers. Additionally, she also examined how these schools could be replicated quickly while maintaining quality.

It was clear that in order to be successful, SCN needed to invest up-front in creating the systems and operations that would allow its schools to function smoothly from day one. After the doors of the first school opened, the research and development intensified. The organization spent two years revising and refining every aspect of the school model – from curriculum to attendance tracking and reporting to procurement systems to parent involvement strategies. In order to do this successfully, SCN invested in a home office staff of nearly 40 – larger than any charter management organizations that were running many more schools – to develop the systems that would allow SCN to scale quickly without sacrificing quality. These systems included curriculum and assessment development, faculty recruitment and training, technology infrastructure, data analytics, and facilities management.

While private sector entrepreneurs have long embraced this concept and typically invest in businesses at the front end to ensure long-term sustainability, this practice has not commonly

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been applied to the education sector. Many charter management organizations across the country hire the minimum staff necessary to open a given school and do not consider the benefits of having a team devoted to replication and systems building. This initial up-front investment pays off in the aggressive growth and high-quality education it allows.

Developing these elements once the schools were already operating was not an option. While the curriculum and systems are constantly being evaluated and refined, it was essential that they were created and high-functioning before the school doors ever opened.

The innovative up-front investment paid off. SCN was able to open three schools in August 2008 and is on track to open another three schools in August 2010 because:

- It has developed an academic curriculum that produces dramatic student achievement for educationally at-risk students, including low-income, minority, special education, and English language learning students.
- Its school financial model ensures that a school will be self-sustaining on local public dollars by its third year of operation.
- It has the human resources team and hiring policies in place to generate more than 100 applicants and for every one teacher it needed to hire.
- It has experienced facilities personnel who could renovate a school building for the first day of classes in just 15 business days.
- It has recruited and cultivated school leaders who are able to drive success in their schools.
- It has developed rigorous training programs an intensive 4-week summer program that give teachers the curricular and classroom skills they need to be successful with all students – including students with special education needs and English language learners.

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And has built an extensive principal training program that starts at least a year before a principal opens a school.

- It has the technology infrastructure to provide instant data on areas such as assessment results, daily attendance, and lunch counting.
- It leverages the 202,000 empty seats in NYC school buildings and gets the necessary space in these buildings saving hundreds of millions of dollars in rent or build-out costs.

Each SCN Success Academy collects money from the city and state. Even though it receives significantly less money per pupil than a similarly situated traditional public school in New York City, SCN schools were developed with the goal of educating students more effectively on less money per pupil than traditional public schools. Its academic and fiscal record shows that it can be successful on both counts.

The goal at SCN is not merely to educate thousands of children at a high academic level, but to do so in a way that keeps SCN's per-pupil spending lower than that of traditional public schools in New York City, and eventually eliminating the need for on-going investments. One of the great advantages of SCN's model is that it becomes self-sustaining. For many charter management organizations this is the one piece of the puzzle they have not been able to master in order to crack the replication nut. SCN has mastered it.

Instructionally and administratively, each Success Academy benefits from being part of a cluster of schools in one geographic neighborhood. Specifically:

- School leaders are able to seek advice from colleagues implementing the exact same school model.
- Teachers and principals are able to visit their peer schools where they can observe and learn from each other firsthand.

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- Student and teacher recruitment costs are shared across the cluster. Several staff positions are shared across the schools—a school that cannot afford a full-time counselor or chess teacher can split the salary and benefits costs with other schools.

The cluster also creates a web of accountability and an intellectual community where the systemic sharing of innovations and best practices forces each school to continuously improve. If SCN notices that one of its schools located just half a mile down the road is scoring higher on standardized tests or has a higher daily attendance rate than another school, SCN is able to investigate what, and ultimately implement, successful strategies across the network.

By researching successful charter schools extensively, conducting thorough financial analysis and modeling, and learning from its own experience with its Success Academies, SCN has developed a start-up and operating budget for the first five years of each new school's operation and drafted financial policies and controls that ensures its schools and network continue to be on track to be self-sustaining. The scalability of SCN's model allows the organization to accomplish its mission of educating students from low-income communities while self-sustaining on public funds and requiring no outside philanthropic support by 2017.

While SCN needs the initial upfront investment provided by this grant to fund its scaling, each year its funding request is a smaller percentage of the total project cost as its student enrollment, and therefore its per pupil revenues, increases. At the conclusion of the grant, SCN will be able to continue operating its existing schools and opening additional schools funded solely on the per pupil allocation it receives from the city and state without additional federal grant funding. The return on investment for funding this grant is not only the 6,600 students who will be educated in Success Academies by the conclusion of the grant, but also the 20,000 students enrolled in Success Academies in ten years' time.

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SCN has been successful in raising private funds for this project. Since the inception of the organization in 2006, SCN has raised nearly \$20 million in private funds for our schools and to fund operations at the network level. In FY10 (which ended on June 30), SCN raised close to \$5MM; approximately \$3.2MM from foundations, approximately \$1.1MM from individuals and approximately \$350,000 from our annual fundraising event. Major foundation partners include NewSchools Venture Fund, Doris and Donald Fisher Fund, Eli and Edythe Broad Foundation, Robin Hood Foundation, Tiger Foundation, Sidney E. Frank Foundation the Achelis & Bodman Foundations, and the Buck Foundation.

All good enterprises are adept at not just increasing the supply of their product, but also cultivating demand. To that end, SCN builds parental demand for high-quality schools in general and Success Academies specifically. Demand is generated through SCN's annual student recruitment drive, but also through year round advocacy and community organizing via groups and events like Harlem Parents United, the Harlem Education Fair, and Harlem Charter Night.

SCN's tactics are working. More than 7,000 students applied for admission to Success Academies for the 2010-2011 school year. 66% of families with age-eligible children in Harlem applied to a Harlem Success Academy. With only 1,100 available spaces, the Success Charter Network will be forced to turn away 5,900 students.

Cultivating demand benefits everyone. It's good for SCN as it ensures strong enrollment numbers, fostering financial sustainability and growth. It's good for the charter sector in that it awakens parents' interest in pursuing charter schools for their children. And it's good for all students due to the increased pressure placed on traditional public schools to perform as more and more families vote with their feet and leave the traditional system. In 2008-2009, every zone

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school that is co-located with a Success Academy dramatically improved its ELA scores, averaging an astonishing 18 points.

SCN has also invested in the teacher and leader recruitment efforts necessary to sustain its scale up plans. The SCN HR team has successfully devised recruitment programs that have generated approximately 100 applicants for every job opening.

SCN has an excellent relationship with its school authorizer, the Charter Schools Institute of the State University of New York and is confident it will be granted charters to open schools in accordance with its expansion plans. It has also received a commitment from the NYCDOE that its schools will receive space in existing public school buildings. There are 202,000 empty seats in schools across New York City, which is equivalent to 8000 classrooms. Given NYC's progressive stance on co-locating charter schools in underutilized buildings at the cost of \$1 per year, there is ample space to deliver quality education.

SCN has cultivated relationships with elected officials from both parties, community-based organizations serving high-need students, and parent groups throughout NYC.

SCN has also developed relationships with its most direct stakeholders to ensure its success. Teachers, parents, and students are fully committed to the program.

Management Plan

Unlike some charter management organizations that place significant operational responsibility at the school level, SCN is organized around the belief that teachers and school leaders should focus solely on teaching and learning. To that end, SCN centralizes all school start-up operations, most non-instructional functions such as ongoing facilities management, finances, external affairs, and human resources, as well as instructional support through a highly-skilled data and accountability team, an instructional development team, and a technology team.

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A strong management team is essential to maintaining the level of quality and speed of growth to which SCN is committed. SCN has such a team. This team is led by SCN's COO, Keri Hoyt, who has more than 20 years of experience running and executing large-scale educational projects. Keri's experience replicating high-performing Princeton Review offices around the country coupled with her MBA from Wharton put her in a great position to lead this project. Her biography, as well as those of other key personnel, can be found in the appendix.

SCN staff manages each school's entire operational start-up process so school leaders can focus exclusively on teaching and learning from the very moment the charter is granted. SCN begins this process over a year and a half in advance of the opening date of the school. The External Affairs Department recruits and on-boards Board of Trustee members. The Operations team fills out the charter application and works in tandem with the Board of Trustees and the External Affairs department to go through the process of getting approved and vetted by the Charters School Institute, one of the charter authorizers in New York City. This team also conducts extensive research to find appropriate space in existing New York City public schools.

Once the charter is approved, which is typically about 10 months prior to the opening of a school, the CEO, COO, and the Board of Trustees announce the principal (this person is chosen from SCN's Leadership Residence Program which trains prospective principals for one to two years prior to opening a school). On the heels of this announcement, the Human Resource (HR) team launches their teacher and back office recruitment campaign. HR conducts national searches for top talent, executes comprehensive screening and hiring practices, and on-boards all new employees. SCN's extensive recruitment efforts brought in more than 15,500 applications for 63 positions in 2009. Prospective employees participate in a comprehensive and competitive selection process that includes a 30-minute written lesson plan, an in-person interview, and the

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delivery of a live demo lesson to a Success Academy class followed by a post demo lesson interview and debriefing meeting. All demo lessons are video recorded and analyzed in the selection meetings that follow, and candidates are recommended to principals for final review. At the same time, the External Affairs department launches the student recruitment campaign, which includes designing and distributing more than a half a million bi-lingual brochures.

Approximately 5 months prior to the opening of a school, the Operations team begins negotiations with the leaders of the school(s) to schedule the use of common areas in the building. The team then starts to prepare for the sprint of renovating the buildings.

In April, the ICT, Enrollment, and External Affairs teams run the student admissions random lottery – a custom-designed digital process that simultaneously runs a lottery for multiple schools.

In May, the budget is finalized and the External Affairs team starts to secure start-up grants and manages compliance requirements. At the same time, the Enrollment team starts the Enrollment Process for new students. This process introduces incoming students and their families to the SCN curriculum, culture, and values. SCN also uses the enrollment process to collect required paperwork from families and to arrange for each family to get a public library card. All this is done so that high-level teaching and learning can commence from the very first day of school.

The Instructional Development team finalizes the curriculum and sets up EduTube – an online video posting and sharing platform used for professional development - and the public folders with lesson plans, Smartboard files, and video lessons modeled by SCN's best teachers. In addition, the team finalizes the school calendar, including all of the Professional Development days, family academic events, field trips, and college visits. At the same time, the Data and

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Accountability team sets the academic goals based on what the best performing Success Academy achieved and on the highest outcomes achieved by other high performing schools. In addition, the testing calendar is finalized for the academic year, which is then aligned to RTI and data review meetings.

In June, the CEO, COO, Instructional Development Team, Data and Accountability team, Director of Instruction, Director of Literacy, and HR team conduct a three-week leadership summit to prepare all school leaders for the upcoming academic year and to further build their professional development. Sessions include, but aren't limited to, time management, how to build effective teams, how to give constructive feedback to struggling teachers, and how to analyze data and develop clear action plans. At the same time, the Operations and ICT team gets to work on the school buildings.

In July, the CEO, COO, Instructional Development Team, Data and Accountability Team, Human Resources Team, Director of Instruction, Director of Literacy, and Leadership team from all schools host a 4-week Faculty Orientation to on-board new staff and prepare all staff for the expectations for the upcoming school year. New SCN teachers arrive on a college campus on Tuesday and emerge four days later with a clear understanding of SCN's expectations of our teachers and our scholars. SCN teachers must ensure that every scholar who walks into a Success Academy graduates from college.

All new and returning teachers then participate together in the remaining weeks of faculty orientation. On the first morning with all faculty, leaders lay out end of year expectations for each grade. Teachers then go through each of the sections of faculty orientation.

The first section covers the first six weeks of instruction. Master teachers go through every lesson teachers are expected to deliver in the first six weeks of school. This focused

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training ensures that each teacher knows exactly what will be taught and what excellent execution looks like. This section also includes ‘teachbacks’ where a master teacher models a lesson for teachers, either through a video of the master teacher teaching the lesson to scholars, through a live lesson with scholars, or by delivering the lesson to the teachers who, in turn, act as scholars. Each teacher then models the same lesson in front of his or her peers.

SCN does this to ensure that before a teacher is in front of her students, she knows exactly what the lesson is supposed to look like and has seen it demonstrated and has practiced it. After every ‘teachback’, master teachers and principals give feedback on what went well, what did not work, and how the execution of the lesson could be improved. This benefits all teachers in the room as they learn from each other, and this sets the stage for a collaborative, non-judgmental learning environment where feedback is encouraged, accepted, and acted upon.

The second section of faculty orientation focuses on behavior management. Countless hours are wasted when classroom management is not executed at a high level. SCN teaches its staff the most effective classroom management practices and gives its teachers the tools to ensure all students understand what is being asked of them so that time in the classroom is exclusively focused on student learning.

The third section covers the “nuts and bolts” of the building. All teachers are given a laptop, a smartboard, a video camera, an interactive response system, and a digital visual presenter for their classrooms. During this interactive section, teachers are taught how to use these robust tools and how to integrate technology into their planning. Each lesson delivered utilizes technology to bring learning and engagement to the next level.

During faculty orientation, clear year-end goals are set for school principals, teachers, and scholars. Using the SMART (Specific, Measurable, Achievable, Results-Oriented, and

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Time-Bounded) framework and data collected from the previous school year, academic, school culture, and personal performance goals are set for principals and every teacher. These goals range from very specific test score goals, to family academic event attendance rates, to personal goals based on employee's past performance and professional aspirations. Goals are quickly submitted through a web-based form avoiding tedious paperwork and allowing principals to focus on the outcome, rather than the process.

In August, the school opens and the Network shifts from start up mode to ongoing school support. The Operations team ensures that all non-instructional operations at each school run smoothly. Each school has a Business Manager who works with a Facilities & Operations Manager who handles all facility, procurement, food, and health & safety issues in the building. Each school also has a Community Relations Coordinator who is in charge of office management, school events, parent relations, and school culture. A Student Achievement Coordinator handles all testing and special education services. The Department of Data and Accountability team provides data to teachers and school leaders in real-time, allowing for fast decision making to improve student achievement. The Department of Instructional Development provides network-wide support in the areas of leadership development, teacher training, and English Language Learner and special education services. The Department of Information and Communications Technology (ICT) provides state-of-the-art technology designed to help teachers enhance their daily teaching and learning practices. In addition, the ICT team manages PowerSchool, the Success Academies' customized student information system and Inform, an assessment data platform. These resources, combined with the ICT department's creative forms of professional development and ultra-responsive end-user support, provide teachers with an arsenal of data driven instructional tools.

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Throughout the implementation, the Finance team carefully monitors the organization's finances to ensure all components of the program are accomplished within budget. SCN's Board of Trustees meets with the CEO, COO, and Financial Controller at least six times per year to review the organization's finances and to ensure that SCN continues to be on track to be self-sustaining on local public dollars by 2017 and that SCN's expansion plan will be a sustainable endeavor beyond this 5-year grant period.

Once school starts, employees are asked to self assess their performance before their mid year and year end performance evaluation meetings in December and June. Managers combine the employee's self-assessment, their personal assessment, and assessments gathered from peers, to deliver direct, constructive 360 degree feedback on each employee's performance. In addition to this formal performance review process, SCN ensures teachers are observed at least once every week and are given both verbal and written feedback on their performance. The culture surrounding the performance management process is one of continuous improvement and development rather than one that fosters a 'gotcha' approach.

In addition to a performance management process, an anonymous Employee Satisfaction Survey is sent to all employees twice per year via an online survey tool. Results are tracked and presented to the entire faculty with clear improvement plans and goals based on the data within 3 weeks of closing the online survey. Lastly, the Human Resource team schedules check-ins twice per year at each school. This more personal approach gives employees an outlet to share ideas, talk through issues, or recommend improvements. Data is collected and quickly turned into action plans executed at each school.

On-going Professional Development

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SCN views its teachers and school leaders as Olympic athletes who must constantly train and improve their skills. With clear goals in place, teachers know exactly what they need to achieve to win a gold medal. Professional development is an essential ingredient of SCN's school model. It is a key professional responsibility of our teachers as it develops skills, provides content area knowledge, and improves pedagogical techniques. Each year, our teachers receive approximately 400 hours of quality professional development.

During the school year, every Wednesday, three hours are dedicated to teacher professional development. These Wednesdays are used to drill down further on concepts taught during faculty orientation. If a test was administered recently, the results are analyzed and re-teaching plans are created. Topics also include our 8 classroom management strategies, tactics to use to address the needs of our Special Education and ELL learners, time management skills, and how to manage a difficult parent conversation.

Other professional development activities throughout the year include observations of excellent teachers at other schools (both inside and outside SCN), visiting other high-performing schools, and workshops designed to master effective teaching techniques. Teachers and school leaders are also sent to outside conferences, such as the Teachers' College Conferences, the National Council of Math Conference, National Science Teacher Association Conference, the DMI Math Conference, and the Understanding by Design Conference.

SCN ensures the professional development program is regularly evaluated using student performance data to inform school leaders of areas of weakness in instructional delivery. In addition, teachers fill out professional development evaluations after every session that help guide future sessions. Professional development is considered effective when student assessment results markedly improve after focused professional development sessions.

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Leveraging Technology to Create a Blended Instructional Environment

Over the past ten years, technology has infused classrooms throughout the U.S. Yet most newly minted teachers are at a loss for how to use the technology, not to mention teachers who have been teaching for more than ten years. SCN has an added component of integrating technology into every lesson delivered. It starts by giving teachers hands-on professional development on how to use the great tools in their classrooms, continues by integrating technology into every lesson plan created, and ends by principals observing classroom instruction with an eye towards technology integration.

One innovative way SCN improves teacher efficacy across the network is through the SCN-created EduTube online database of classroom videos. All lead classroom teachers are provided with a video camera to record their instruction on a regular basis. Teachers use the video clips of themselves teaching to examine their own practices and to develop action plans to improve in concrete, targeted ways. Furthermore, they are able to see for themselves if they have improved by watching follow up video clips. Excellent video examples of instruction are identified and shared across the network. SCN encourages sharing of best practices via saving documents to the network's wiki and share drive so that teachers can easily locate every lesson plan and the corresponding resources already created by colleagues across the network.

Starting this fall, all 5th graders will be given laptops and reading-leveled iPads. In the same way teachers need to know how to leverage technology to perfect their performance, so too, will Success Academies focus on scholar's computer skills adding key goals around typing skills, internet research capabilities, and computer programming.

School Evaluation Plan

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When SCN first created its growth plan, we knew that we would expand rapidly only if we could maintain quality at all of our schools. To that end, we developed a rigorous school evaluation rubric that examines each school's academic, programmatic, and operational performance each year.

Academic goals include:

- At least 95% of students will achieve a Level 3 (proficient) or Level 4 (advanced) on standardized New York state tests in English/Language Arts, Mathematics, Science, and Social Studies; with at least 30% scoring a 4.
- The percentage of Title 1 scholars scoring at Levels 3 or 4 will be on par with, if not exceed, wealthy New York school districts.
- All SCN students will achieve more than 1 grade level of growth each year in all subject areas as measured by a nationally-normed standardized test, such as the Terra Nova.

Programmatic goals include:

- At least 96% of scholars will be in attendance every day, on-time, dressed in uniform, with their homework and reading logs complete.
- All family academic events will be attended by at least 97% of our families.

Operational goals include:

- The school will not go over budget.
- The school will receive an unqualified audit report.
- The school will have no serious safety issues.
- The school will be in compliance with all applicable laws, statutes, and regulations.

If a school fails to meet any of these goals, experts from SCN work with the school's leader, faculty, and other staff to diagnose and solve the problem. If a school fails to meet any

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goal for a second straight year, SCN will work with the school's Board of Trustees to change the school leadership or other personnel or pursue further interventions to transform the school. If a school fails to meet any goal for a third straight year, SCN will work with the school's authorizer to close the school.

While SCN is committed to closing down any of its schools if it fails to achieve at a high level, it does not anticipate having to do so. SCN does not wait until the end of the year to measure a school's progress against its goals. Each school leader, teacher, and other staff member is rigorously trained, regularly given high-quality professional development, and always provided with the tools and resources needed to ensure they can achieve their goals. Additionally, schools constantly produce and track data against all academic, programmatic, and operational goals. If a school appears to be on track to not meet one of its goals, SCN intervenes immediately and works with the school's leader and faculty to provide the additional support necessary to ensure all goals are met each year.

Key personnel bios can be find in the appendix.

Success Charter Network has a proven business plan for increasing, sustaining, and ensuring the quality and performance of it charter schools. Our unique financial model ensures that the schools are self-sustained using public funds after the conclusion of this grant. The relationships SCN has forged with the New York City Department of Education, the city's school authorizes, and our families demonstrates clear evidence of the broad support SCN has from its stake holders. In addition, SCN has a clear plan to track its performance and is fully prepared to close any school that is not meeting its rigorous metrics. And, SCN has the team it needs to successfully open schools while consistently producing results for all of its schools that top the charts in academic rigor.

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Section 1 - Other Attachments: Resumes/Curriculum Vitae

Attachment 1:

Title: SCN_Resumes/Curriculum Vitae Pages: 12 Uploaded File: Resumes of Key Personnel.pdf

EVA MOSKOWITZ

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Success Charter Network, *Founder and CEO*

2006-Present

Network Operations

- Opened 4 high-quality public charter schools in Harlem, the Harlem Success Academies
- Monitor the operations, progress and sustainability of all charter schools under the Network
- Supervise a staff of 25 employees responsible for Network operations
- Devise and manage a budget of \$5 million dollars
- Aggressively pursue funding streams for new Network schools
- Design systems and structures to ensure that the replication of the Harlem Success Academy will produce 40 high-quality schools

Harlem Success Academies – School Operations

- Spearheaded start-up of public charter school in Harlem with the goal of alleviating the achievement gap in the New York City education system
- In eight months, developed a school model, hired teachers, designed curriculum, secured a facility, recruited students, and devised a budget
- Developed a well-rounded curriculum including an exploratory-based science curriculum, a unique social studies and geography curriculum, additional instruction in chess, art, soccer, and dance, and a character education component
- Led aggressive national faculty recruitment program, choosing 13 teachers from a pool of 1700 applicants in the first year, and 16 teachers from nearly 2000 in the second year
- Oversaw all daily instructional and non-instructional operations to ensure optimal student achievement and fiscal viability, including teacher and staff recruitment, instructional development, student testing, family affairs, budget considerations, fundraising and development, and public relations
- Made instructional decisions resulting in incredible gains in student achievement: In first year, first graders went from 44% reading on grade level to 96% on or above grade level (66% above); in all mathematics units, over 97% of students scored at a highly proficient level (80% competence or above)
- Ensured parental satisfaction and high parental involvement

New York City Council Member

1999 – 2005

Education Committee Chair

- Led one of the most active and influential committees on the Council, holding over 100 oversight hearings and passing more legislation in three years than was passed in the previous 12, including the *School Construction Accountability Act*, *Young Adults Voter Registration Act*, and *Dignity for All Students Act*.
- Conducted extensive analysis of NYC Department of Education reforms and issued substantive reports on instructional and operational topics, including literacy, science education, arts education, procurement, school employee union contracts, and teacher retention.
- Worked aggressively to secure mayoral control of the school system.
- Established the NYC Charter School Improvement Fund, a \$3.42 million fund to help charter schools develop educational facilities, the first ever public funding initiative for charter facilities.
- Identified 73,000 empty school seats across the city and brokered a deal with the NYC Department of Education to make seats available to charter schools.
- Led effort to open the first new high school on the Upper East Side in 30 years, including securing the facility and ensuring timely completion of construction

Legislation

- As one of the Council's most prolific legislators, authored ten local laws:
 - *The Paperwork Reduction Act*, which streamlines the city's procurement process and, according to the Citizens Budget Commission, saves the city over \$200 million a year.
 - *The Diesel Emissions Control Act*, which tackles the vexing problem of idling by changing the fines schedule and increasing signage.
 - *The Campaign Finance Act of 2002*, which reforms campaign finance rules to ensure honesty and a predictable regulatory framework in local elections.
 - *The Rape Survivors' Defense Act*, which requires hospitals receiving city funding to make emergency contraceptive options available to women.

- *The Healthcare Mobilization Act*, which ensures that all New Yorkers have access to information about public health insurance programs.
- *The Heat and Hot Water Act*, which penalizes landlords who fail to provide their tenants with sufficient heat and hot water.
- *The School Construction Accountability Act*, which holds the School Construction Authority accountable for delays and budget overruns.
- *The Sidewalk Beautification Act*, which regulates the placement and maintenance of newsracks.
- *The Audible Car Alarm Ban*, which bans the sale, installation, and use of audible car alarms.
- *The Gun Control Liability Act*, which imposes liability on gun manufactures and dealers who refuse to abide by a basic code of conduct (including safety locks on guns.)

Budget and Oversight

- As a veteran member of the Council's Finance Committee, negotiated the city's annual \$50 billion budget.
- Secured a \$13 billion 5-year school construction budget – an \$8.5 billion increase from the Mayor's proposed budget – and successfully fought the Mayor's \$1.3 billion cut to the 1st year of the plan.
- Pushed aggressively for the creation of an Earned Income Tax Credit (EITC) for city income taxes.
- Negotiated the public's access to the financial system used to track the city's capital projects.
- Secured funding for key education projects, including \$16 million to reimburse city school teachers for classroom supply purchases, \$35 million to reduce class size, and \$22 million for school science labs.
- Served on Finance, Government Operations, Transportation, Women's Issues, and Contracts Committees.
- Co-founded the Council's Women's Caucus.
- Crafted the Council's democratic rules reform platform adopted January 2002.

Constituent Services and Community Issues

- Provided constituent services that address the needs of 100,000 constituents and over 100 community groups.
- Managed a casework program that solves problems of over 600 constituents per month with a 24 hour response time.
- Addressed community concerns about land use, development, sanitation, transportation, and other issues.
- Managed \$15 million in local capital projects annually (new parks, school repairs, etc.).
- Created data management system for tracking constituent cases.

Prep for Prep, Director of Public Affairs and Civics Teacher

1998 – 1999

- Designed and taught civics curriculum for 10th and 11th graders in program for gifted minority students.
- Secured and managed public service internships for 40 students.
- Managed highly selective, hands-on leadership program for 30 students.
- Trained program teachers and leadership counselors.

POLITICAL AND FUNDRAISING ACCOMPLISHMENTS

- Successfully elected to the City Council three times, raising over \$900,000 during the course of the three elections.
- Ran \$1.6 million Democratic primary campaign for Manhattan Borough President, raising funding in record time of 15 months, primarily through cold donor calls.
- Endorsed by all major New York City newspapers, including *The New York Times*, *The New York Daily News*, *The New York Post*, *Newsday*, *The New York Sun*, and *The New York Observer*.

ACADEMIC CAREER

Columbia University, Chair of the faculty seminar in American Studies

1996 – 1999

CUNY, Assistant Professor of History

1994 – 1995

Vanderbilt University, Assistant Professor of History

1992 – 1993

University of Virginia, Visiting Professor of Communications and Mass Culture

1989 – 1990

SELECTED AWARDS AND BOARD MEMBERSHIPS

- Aspen Institute's Aspen-Rodel Fellowship in Public Service, one of 24 participants nationwide, 2005
- Democratic Leadership Council "Top Ten Rising Stars Award," 2000 and 2003
- Creative Achiever Award from ArtsGenesis and New York City Cultural Institutions Group Award for leadership on arts education, 2004

- Charter School Champions Award, New York Charter Schools Association, 2003
- Anti-Defamation League, New York Regional Board

PUBLICATIONS

- In Therapy We Trust: America's Obsession with Self-Fulfillment, Johns Hopkins University Press, 2001.
- *Some Spirit in Me*, documentary on the impact of feminism on the lives of ordinary women, Filmmakers Library, 1999.
- City Council Reports:
 - *Lost in Space: Science Instruction in New York City Public Schools*
 - *Keeping Score: Can You Judge a School by its Report Card?*
 - *Reading in New York City Schools*
 - *Good Apples: Recruiting and Retaining Quality Teachers in New York City*
 - *A Picture is Worth a Thousand Words: Arts Education in New York City Public Schools*
 - *Too Little, Too Late: Special Education in New York City*
 - *Fair or Foul? Physical Education in New York City Public School*
 - *Correcting Juvenile Injustice: A Bill of Rights for Children Released from Custody*
 - *From The Mouths of Babes: New York City Public School Kids Speak Out*
 - *The Education Budget Guide for Parents*
 - *The Chancellor's Regulations Guide for Parents*
 - *Breaking Through the Static: How to Find Information about the Safety of Your Cell Phone*
 - *At an Unhappy Hour: The Ten Noisiest Bars in Manhattan*

EDUCATION

- John Hopkins University, Ph.D. in American History
- University of Pennsylvania, B.A. with Honors in History, Phi Beta Kappa

PERSONAL

- Mother of Culver (10), Dillon (6), and Hannah (4), who attend NYC public schools.
- Life-long New Yorker, avid cyclist, proficient in French.

EXPERIENCE**THE PRINCETON REVIEW MANAGEMENT; TEST PREPARATION****VICE PRESIDENT, SALES AND MARKETING**

2006 TO PRESENT

Set and implement sales and product strategy for the division, including product design, positioning, price, promotion, placement, and budgeting. Lead and manage five sales channels: Inside Sales, Internet Sales, Field Sales, Distance Learning Sales, and Business Development initiatives representing approximately \$90mm and support all school-based sales initiatives. Manage a creative team in all branding initiatives within the Test Preparation division.

NATIONAL DIRECTOR, SES

2005-2006

Developed and implemented strategy for company to expand its after-school tutoring program. Identified and launched 6 new territories across 7 states and 14 districts. Secured state approval in 26 states. Worked with Marketing department on promotion and positioning, the Research and Development department on the curriculum and implementation, and the Technology department on reporting and data management. Managed creation and execution of budget. Increased revenues by \$1mm, established initial penetration position, and set strategy for 2006-2008.

THE PRINCETON REVIEW MANAGEMENT; ADMISSIONS SERVICES**VICE PRESIDENT, PRODUCT MARKETING**

2002-2005

Developed vision and strategy for the Admissions Services Division of The Princeton Review. Accountable for P&L management. Led all branding, marketing, and product development for a \$17mm division and managed a marketing team of three, marketing communications team of four, and bi-coastal product team of seven. Increased customer base, improved customer renewal rate, and raised both client and employee satisfaction.

ASSISTANT VICE PRESIDENT, MARKETING

2001-2002

Hired to create and manage first formalized marketing department within the Admissions Services division of The Princeton Review. Managed allocation of budget and team of marketing managers in New York and San Francisco. Led the merger of a recently acquired San Francisco based company- Embark. Managed cross-functional team to merge two major websites: Review.com and Embark.com, repositioned Embark brand under Princeton Review brand. Notable successes include: new website, PrincetonReview.com, named top 25 websites by Forbes Magazine, new online guidance system recognized as best educational website by Technology and Learning, and reduced advertising expenses by 50%.

THE PRINCETON REVIEW- BOSTON, INC.**EXECUTIVE DIRECTOR**

1995-2001

Developed and implemented plan that maximized sales, cash flow, and profit, ultimately growing revenue by 50% to \$4.2mm with a 25% pre-tax return, and growing profits by more than 300%. Managed team of 17 full time employees and 150 part time employees. Developed and launched first state assessment preparation program, , won FAT (Franchise Achievement Test) award 5 times naming Boston the best office in the country, and launched international marketing efforts by being the first office to secure the rights to issue I-20s to students seeking education in the United States.

DIRECTOR OF MARKETING

1996-1997

DIRECTOR OF GRADUATE PROGRAMS

1995-1996

THE PRINCETON REVIEW- SAN JOSE**DIRECTOR OF OPERATIONS**

1994-1995

Managed division of an Inc. 500 company providing preparatory programs for college, graduate, and professional admission test programs throughout Northern California. Managed approximately \$1mm in revenue, with a 10% pre-tax return. Responsible for hiring and training instructors, finding course locations, marketing programs to students and advisors, measuring and assuring course quality, and managing all course operations.

EDUCATION

UNIVERSITY OF PENNSYLVANIA

MBA

2006

UNIVERSITY OF NEW HAMPSHIRE

BACHELOR OF ARTS, ENGLISH

1994

CHARLES KLEIN, CPA

303 Virginia Avenue • Oceanside, New York 11572 • (516) 678-0963 • Chuck303@aol.com

Over Fifteen Years of Accounting Experience

PROFESSIONAL EXPERIENCE

6/04-11/08 **GOLDMAN SACHS & CO.**, New York, New York
Vice President, Divisional Management Reporting

- Supervised a staff of eight employees in the compilation of comprehensive financial earnings data for the Global Securities Division (Daily, Weekly, Monthly and Quarterly Reports)
- Prepared weekly analysis of the business performance metrics of the Global Securities Division for use by the firm's Operating Committee, including profit and loss attribution and analysis and expense trends
- Oversaw the month-end general ledger closing for the Securities Division, along with the segment presentation for external reporting
- Global coordination of the Securities Divisions' valuation adjustments, including detail by adjustment type and variance analysis
- Managed the preparation of the Global Securities Division aged inventory package for presentation to the firmwide Finance Committee
- Analyzed and supervised the preparation of the firm's investment capital income for the Tax Department

6/02-5/04 **GOLDMAN SACHS & CO.**, New York, New York
Vice President, Financial Reporting

- Supervised a staff of eleven employees within the Reporting & Analysis area
- Managed the production of the daily, weekly and monthly firmwide revenue and expense summary that is distributed to the firm's Management Committee
- Coordinated relationship with external auditors during quarterly review and year-end audit procedures
- Lead department responsible for all SEC filings including 10-K and 10-Q reports
- Prepared the firm's quarterly earnings release package, annual report and quarterly earnings results presentation to the firm's managing directors
- Managed the general accounting and closing processes (month-end, quarter-end and year-end)
- Documented and improved internal control procedures, including compliance with section 404 of the Sarbanes-Oxley Act of 2002
- Assisted with the evaluation and implementation of new accounting pronouncements and disclosure requirements made by the FASB, SEC and other regulatory bodies
- Directly participated in and reviewed the production of a fifty-page monthly analysis package distributed to the firm's Management Committee
- Performed an analysis of the quarterly earnings results of the firm's key competitors

9/98–5/02 **GOLDMAN SACHS & CO.,** New York, New York
Vice President, *Product Control*

- Supervised a staff of ten employees within the Mortgage Department product control area
- Produced daily P&L for the Mortgage Desk including Pass-through, Derivatives (Strips), CMBS, RMBS, CMO's, Syndicate Deals and Whole Loans
- Created a detailed Balance Sheet for the Mortgage Desk that is used by the desk head to manage his daily inventory exposure
- Represented Controllers in the implementation of a number of new systems including Balance Sheet, aged inventory Whole Loan Front-end and Whole Loan Factory
- Performed price verification procedures for the mortgage products and related hedges using interest rate and prepayment speed modeling
- Interacted extensively with the head of the mortgage desk regarding P&L, pricing and balance sheet issues

9/94–9/98 **COOPERS & LYBRAND, LLP,** New York, New York
Senior Associate, Business Assurance

- Member of engagement teams for a wide variety of clients including Goldman Sachs, Legg Mason Dorman and Wilson, Inc., A.I. Credit and Haven Capital
- Performed planning, budgeting and staff management as field team leader for interim and year-end audits
- Analyzed valuations and pricing for inventory investments using interest rate analysis and option model testing
- Performed controls testing of the back office operations for the year-end audit of Goldman Sachs, including suspense, clearing houses and depositories, stock loan and borrow, repos and cash
- Coordinated support from Coopers & Lybrand overseas offices, including Tokyo, London, Hong Kong and Switzerland
- Prepared financial statements for broker/dealer and hedge funds
- Interacted extensively with client senior management

8/90–8/94 **KRINSKY & EPSTEIN, CPA,** Valley Stream, New York
Senior Accountant

EDUCATION

1986–1990 **ITHACA COLLEGE,** Ithaca, New York
School of Business Administration
Bachelor of Science in Finance with concentration in Accounting

1991–1992 **HOFSTRA UNIVERSITY,** Hempstead, New York
Post-graduate Education Credits in Accounting

Paul Fucaloro
889 Glenridge Avenue
North Woodmere, N.Y. 11581
(516) 791-3897/3588

JOB OBJECTIVE: Teacher/Professor

EDUCATIONAL BACKGROUND:

Baruch College

DEGREE: Masters of Business Administration, February, 1975

MAJOR: Statistical Marketing Research

HONORS and ACTIVITIES: Appointment as Teaching Assistant
Hospital Administration
Department of Management

The Bernard M. Baruch School of Business and Public Administration of
the City College of the City University of New York

DEGREE: Bachelor of Business Administration, June, 1968

MAJOR: Statistics/Quantitative Analysis

HONORS and ACTIVITIES: Baruch Scholarship
Federal Education Opportunity Grant
President of the Literary Society
Editor-in-Chief of THE PHOENIX, the Baruch
College's literary magazine

Hunter College, L.I.U., Baruch College and the College on New Rochelle

**** Various non-matriculated credits in Education, Languages (Spanish and French), Mathematics, Art, Music, Speech and Physical Education. Anticipated completion of a second Masters Degree in Special Education by 1997. Regular Education credits include the Psychological Foundations of Education and Multicultural Education.**

TEACHING BACKGROUND:

February, 1996 - 1999:

**U.F.T./New York City Teacher Centers Consortium
Teacher Center Specialist (at P.S./I.S. 284K)**

September, 1992 - January, 1996:

**Community School District 23 K
Staff Developer/Teacher Trainer (Specializing in Mathematics)**

September, 1979 - June 1992:

**P.S. 284 and P.S. 332 - C.S.D. 23 K
Dean of Students, Mentor/ Staff Developer,
Teacher: Grades 4, 5, 6, and 7, Math Specialist, Reading Specialist, Art,
Music, Social Studies/Muticultural Education,**

September, 1970 - June, 1979:

**P.S. 27 K - C.S.D. 15 K
Teacher: Grades 4, 5, 6, Music, Art, Math Specialist, Physical Education,
Gifted and Talented, Junior Guidance/Special Education**

September, 1968 - June, 1970:

**P.S. 100 M - District 5 M
Teacher: Grades 4, 5, Social Studies/Multicultural Education**

OTHER TEACHING BACKGROUND:

February, 1996 - present:

S.Q.R. training (February, 1996), served on an S.Q.R. team (Spring 1996), provided quantitative and qualitative analysis - S.Q.R.

Summers, 1991 - 1995:

Summer Primary Program & Chapter I Program

District Monitor/Teacher: Monitored all Summer programs in C.S.D. 23 schools and taught Summer Primary and Chapter I Program classes

Summer, 1994:

Professional Development Institute at C.S.D. 23 K

Teacher Trainer/Facilitator: Per Session - New Teacher Training

Summer, 1995:

Summer Programs at P.S. 150 K

Summer School Coordinator/Acting Principal - All Summer Programs

September, 1989 - Summer 1990:

New York Teacher's Mentoring Program

Mentor and Staff Developer (Summer Academy)

September, 1980 - June 1990:

Office of Home Instruction

Teacher: Per Session - Grades K - 12 (all subjects)

September, 1981 - June, 1984:

Adult Education - Office of Continuing Education

Teacher: Per Session - High School Equivalency (G.E.D.), Basic Adult Education, English as a Second Language, Multicultural Education

September, 1981 - April, 1982:

Reading Enrichment Program at P.S. 332 K

Teacher: Per Session - After school preparation for the Reading Test

September, 1972 - June, 1978:

Evening Community Center at P.S. 27 K

Teacher - in - Charge: Teen sports/tournaments

Summers, 1968 - 1975:

Vacation Day Camps at P.S. 46 M & at P.S. 27 K

Teacher/Coach: Per Session - Organized games, coached softball teams, presented Music and Art shows, taught Art

COLLEGE TEACHING BACKGROUND:

Fall, 1995 - 1998:

New York Institute of Technology
Adjunct/Instructor (Graduate Division)
ED OT01 - Educational Foundations: Diversity
and Social Needs

Brooklyn College

Adjunct/Instructor (Graduate Division)
ED 670X - Skillful Teaching: Strategies for
Instruction and Classroom Mgt.

Bronx Community College

Adjunct/Instructor
Art 11 - Art History

College of Mount St. Vincent

Adjunct/Instructor (Graduate Division)
ED 502 - Foundation of Urban Multicultural
Education

Fall, 1989 - Present:

Long Island University - Brooklyn Campus

Adjunct/Associate Professor
Math 9W & Math 10 & Math Lab

Adjunct/Instructor
DSR 22: Critical Reading

Adjunct/Instructor
Literacy - Hospital Staff (Downstate Hospital)

Summer 1989 - 1991:

Molloy College (Rockville Centre

Adjunct/Instructor *South American students
Math 101 (Special Assignment)

Math Tutor/Science Tutor - Summer Programs

REFERENCES: Furnished Upon Request

OTHER BACKGROUND

September, 1988 - June, 1984:

Support Initiatives at C.S.D. 23 K

- a) Brought professional athletes (N.Y. Jets, N.Y. Mets, N.Y. Rangers, Boxers and Bodybuilders) into several C.S.D. 23 K schools.
- b) Acted as liaison between C.S.D. 23 K schools and Sportschannel in securing visits from athletes into C.S.D. 23 K schools and providing free bus trips for C.S.D. 23 K children to Cablevision.
- c) Brought anti-Apartheid dignitaries (Ambassador Gbeho, Ghana, and Chief Consul Oumarou Youssufu, Niger) as keynote speakers to two C.S.D. 23 K Principals Conferences.
- d) Brought Ambassador Millette of Grenada to speak to Middle School students at a P.S./I.S. 284 K Health Fair (Spring, 1996)

September, 1967 - September, 1968:

Medical and Health Research Association, 40 Worth St., New York

Assistant Researcher: Performed statistical tests and primary research for the School Health Personnel Utilization Program, published findings - 1968.

Summer, 1967:

Department of Health, 125 Worth St., New York

Student Research(Grant): Performed statistical and constructed Tables for analysis. Findings presented and published - 1967.

PERSONAL DATA

Marital Status: Married

Military Status: 2A

Date of Birth: December 28, 1946

Height: 6 feet

Weight: 285 lbs.

HOBBIES AND SPECIAL TALENTS: Piano player, singer, organizer of choral groups, painter, sketcher, sculptor, athlete, published poet, athlete, Boxing Manager and Sports Agent.

PROFESSIONAL EXPERIENCE

Literacy Consultant • LitLife

2008-Present

- Trained teachers to implement balanced literacy, including the Reading and Writing Workshop model
- Worked with school administrators to develop curriculum, plan professional development, and implement balanced literacy
- Designed staff development methods and materials for use across the LitLife platform

Staff Developer / Consultant • Teachers College Reading and Writing Project

New York, NY • 2006-2008

- Trained teachers and administrators, both in New York City public schools and nationally, to implement balanced literacy including the Reading and Writing Workshop model
- Planned and led on-site study groups for teachers and administrators. Topics included reading/writing connections, small group work, conferring, and assessing reading comprehension.
- Designed and presented multiple calendar days on the teaching of reading and writing at Columbia University, Teachers College. Topics included classroom management, designing units of study, assessment, and teaching key comprehension skills in reading and writing.
- Presented at several institutes on the teaching of reading and writing at Columbia University and nationally
- Participated in weekly think tanks at the Teachers College Reading and Writing Project to develop curriculum, assessments, and publications on best practices for the teaching of literacy

First Grade Teacher • PS 116

New York, NY • 2001 – 2006

- Addressed all components of balanced literacy through whole class and small group instruction
- Wrote and taught units of study according to the Teachers College Reading and Writing Project model
- Designed and implemented mathematical lessons based on the TERC Investigations curriculum
- Participated in think tank leadership groups with the Teachers College Reading and Writing Project

Staff Developer • Region 9

New York, NY • 2003 – 2004

- Planned and facilitated a series of balanced literacy workshops for teachers in Region 9
- Led sessions on launching and developing the Reading and Writing Workshops
- Trained teachers to confer with and assess students during Reading and Writing Workshops

EDUCATION

Lesley University • Cambridge, MA • 2000 – 2001

- Master of Education, 4.0 GPA

Colby College • Waterville, ME • 1995 – 2000

- Bachelor of Arts in Psychology

Project Narrative

Section 2 - Other Attachments: Letters of Support

Attachment 1:

Title: **SCN_Letters of Support** Pages: **7** Uploaded File: **SCN_Letters of Support.pdf**

GOTHAM CAPITAL

INVESTMENT PARTNERSHIP


Charter Schools Program
U.S. Department of Education
Application Control Center
550 12th Street, SW.
Room 7041, Potomac Center Plaza
Washington, DC 20202-4260

July 14, 2010

Dear Secretary Duncan:

As the Chair of the Success Charter Network (SCN) Board, I pledge that the SCN Board will give or raise the amount of funding needed to fulfill the 25% matching commitment for the Charter Schools Program Expansion and Replication grant (\$2,288,687 across 5 years).

Best,



Joel Greenblatt
Chair of the Board
Success Charter Network

520 Madison Avenue, 35th Floor • New York, NY 10022 • Tel. (212) 319-4100 • Fax (212) 319-4419

DORIS & DONALD FISHER FUND

June 28, 2010

Charter Schools Program
U.S. Department of Education
Application Control Center
550 12th Street, SW.
Room 7041, Potomac Center Plaza
Washington, DC 20202-4260

Dear Charter Schools Program:

I am writing on behalf of the Doris and Donald Fisher Fund to support Success Charter Network's application to the Charter Schools Program Grants for Replication and Expansion of High Quality Charter Schools.

As Managing Director of the Doris and Donald Fisher Fund, I have had the opportunity to track results and observe Success Charter Network's progress over the past four years. Since the start, Success Charter Network has been committed to its dual mission of educating kids at their public charter schools at an exceptionally high level while changing the rules of the game beyond the walls of their schools.

They have met the challenge of rapidly replicating schools while providing an excellent educational program, which I was able to witness firsthand during a recent visit to Harlem Success Academy 1, the flagship school.

I fully support Success Charter Network's application for funding to the Charter Schools Program.

Sincerely,

A blue ink handwritten signature, appearing to read 'Christopher Nelson', with a long, sweeping horizontal stroke extending to the right.

Christopher Nelson
Managing Director

ONE MARITIME PLAZA, SUITE 1550, SAN FRANCISCO, CALIFORNIA 94111-3535

PHONE: (415) 433-7475 FAX: (415) 433-7476



June 28, 2010

Charter Schools Program
U.S. Department of Education
Application Control Center
550 12th Street, SW.
Room 7041, Potomac Center Plaza
Washington, DC 20202-4260

Dear Charter Schools Program:

I am writing on behalf of the Children's Aid Society in support of Success Charter Network's application to the Charter Schools Program Grants for Replication and Expansion of High Quality Charter Schools. One of their schools, Harlem Success Academy 1, moved next door to our center in 2006, bringing positive change to the community. I wholly support the organization's grant application. If awarded, the grant will help them bring their schools to other parts of Harlem and beyond where I'm sure they will continue to have a positive impact.

At the Success Charter Network schools, it is evident that the teachers are extremely dedicated and the students love to learn. The sobering truth is that low-income children receive a worse education than their middle class peers and even children from developing countries. Thankfully, Success Charter Network is working to close this gap, and it is a joy to see that they are getting it right from the start.

I know there are hundreds of children in the Children's Aid Society programs alone that would benefit from more schools like these. I fully support Success Charter Network's application to the Charter Schools Program.

Sincerely,

Casper Lassiter

Casper R. Lassiter M.S.W.
Director, Children's Aid Society Dunlevy Milbank Campus



BOARD OF DIRECTORS

Beverly Anderson
American Express

Robert S. Azeke
Parish Capital Advisors

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Eunu Chun
Kirkland & Ellis LLP

Sherrese Clarke
Morgan Stanley

Charles Corpening
Joshua Partners

Lisa Davis
Frankfurt Kurnit Klein & Selz

Jarrod Fong
JPMorgan

James E. Francis
Paradigm Asset Management

Matt HoganBruen
Bank of America Merrill Lynch

Maryana Iskander
Planned Parenthood

Kevin Jordan
Goldman Sachs

Cheryl Joyner
Ticket.TV.

Sekou Kaalund
JPMorgan

Craig Livingston
Exact Capital

Brian Mathis
Provident Group

Richard McCoy
UrbanAmerica

Tosa Ogbomo
Goldman Sachs

Luis Penalver
Cahill Gordon & Reindel LLP

Lawrence E. Penn III
The Camelot Group

Jacques-Philippe Piverger
PineBridge Investments

J. Donald Rice
Rice Financial Products Co.

Tarrus L. Richardson
ICV Capital Partners

Kristen Rodriguez
Cambridge Capital Advisors

Janet Rollé
BET Networks

Beatrice O. Sibblies
B.O.S. Development

Whitney Tilson
T2 Partners

Adaora Udoji
The Boshia Group

Kelly Williams
Credit Suisse

Steven Wolfe Pereira
MV42 – MediaVest Multicultural

EXECUTIVE DIRECTOR
Chloe L. Drew

Wednesday, June 30, 2010

Charter Schools Program
US Department of Education
Application Control Center
550 12th Street, SW.
Room 7041, Potomac Center Plaza
Washington, DC 20202-4260

To Whom It May Concern,

I am writing to show support for Harlem Success Academy and its application for a grant to the Charter Schools Program Grants for the Replication and Expansion of High-Quality Charter Schools.

As Executive Director of the Council of Urban Professionals (CUP), I believe strongly in improving educational options for urban youth. At CUP, we strive to improve urban communities, and one of our major goals is innovative education reform.

We believe in strengthening communities by improving education and empowering today's youth to become next generation leaders. Our REACH program supports schools' efforts to increase AP exam pass rates and expand AP course enrollment, resulting in more low-income students competing for admission at more selective colleges and preparing more students to succeed and graduate from college.

Harlem Success Academy has an excellent program and fulfills its challenging mission to provide quality education to at-risk youth. Harlem Success Academy also emphasizes college graduation by naming each incoming class by its year of college graduation and by naming each classroom by its teacher's alma mater. I admire Harlem Success Academy for its emphasis on college graduation and its long-term focus.

I strongly support the approval of additional charters for Harlem Success Academy. I am confident that Harlem Success will continue to improve the Harlem community by providing superior education through its charter schools.

Sincerely yours,

Chloë Drew
Executive Director

The Council of Urban Professionals is a non-partisan, nonprofit organization representing and advocating for the social, political and economic interests of urban professionals. The mission of CUP is to develop diverse business and civic leaders, empowering them to exert influence, achieve their individual goals, and create collective impact.

July 1, 2010

The Honorable Arne Duncan
Secretary of Education
United States Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Re: Endorsement of Success Charter Network's Replication and Expansion of High Quality Charter Schools Application

Dear Arne:

I am writing in support of Success Charter Network's application for funding through the Replication and Expansion of High-Quality Charter Schools grant program.

The Broad Foundation has been involved in education reform for over eleven years. Over that time we have become convinced that the growth of high performing, quality charter management organizations is critical to moving America's educational system forward. Success Charter Network has been an important partner in creating powerful education reform.

While Success Charter Network's replication and expansion plans are ambitious, I am confident that they are capable of this undertaking, especially after seeing the tremendous results of their schools. The Broad Foundation has worked with Success Charter Network since the inception of their first school in 2006 and we have been consistently impressed with their results.

The Replication and Expansion of High-Quality Charter Schools grant program provides a unique opportunity to ensure federal funding is directed to those that have a demonstrated track record in improving K-12 outcomes for our country's highest need students. Given its track record of success and plans for the future, Success Charter Network is a deserving recipient of these funds. I fully support the expansion and replication efforts of Success Charter Network.

Sincerely,



Eli Broad



OFFICE OF THE BRONX BOROUGH PRESIDENT
THE BRONX COUNTY BUILDING
851 GRAND CONCOURSE
BRONX, NEW YORK 10451

RUBEN DIAZ, JR.
BOROUGH PRESIDENT

TEL. 718-590-3500
FAX. 718-590-3537
E-MAIL: rdiazjr@bronxbp.nyc.gov

July 6, 2010

Charter Schools Program
U.S. Department of Education
Attn: Secretary of Education Arne Duncan,
Application Control Center
550 12th Street, SW.
Room 7041, Potomac Center Plaza
Washington, DC 20202-4260

Dear Secretary Duncan:

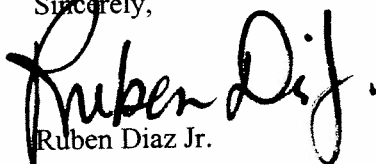
I write today in support of Success Charter Network's application for a grant from Charter School Programs. The purpose of this grant is to help charter management organizations expand enrollment of their schools and/or open new charter schools. Success Charter Network would use this grant to open new high performing schools in underserved neighborhoods in NYC.

Lack of educational opportunities for children in low-income communities is one of the most significant issues facing my Bronx constituents, and I strongly believe that Success Charter Network is taking important steps to reverse this problem by opening and operating high-performing public charter schools. Since the first school was founded four years ago, the Success Academies have posted stellar results and garnered strong support from parents in the communities they serve.

As Bronx Borough President I am eager to see Success Charter Network create more opportunities for students in New York City. The organization has already begun changing the educational landscape in Harlem, where its four existing schools are located, and will soon be opening two schools in the South Bronx, which I hope will bring much-needed educational change to this community as well.

Success Charter Network's commitment to improving student outcomes both in and outside the classroom is remarkable, and I support their application to the Charter Schools Program.

Sincerely,


Ruben Diaz Jr.

July 12, 2010

Charter Schools Program
U.S. Department of Education
Application Control Center
550 12th Street, SW.
Room 7041, Potomac Center Plaza
Washington, DC 20202-4260

Dear Charter Schools Program:

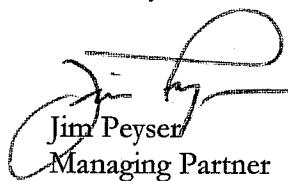
I am writing in support of Success Charter Network's application to the Charter Schools Program. As Managing Partner of NewSchools Venture Fund and a Success Charter Network board member, I am in a unique position to speak to the quality of this growing system of New York City charter schools.

Since its inception in 2006, Success Charter Network has expanded from operating one school in Central Harlem to running four high-performing schools across Harlem and preparing to open three more – one in Harlem and two in the South Bronx – in the fall of 2010. Success Charter Network's remarkable ability to quickly scale up while continuing to educate every child attending the schools at the highest possible level indicates that the organization is the ideal candidate to receive a CSP Expansion and Replication grant.

NewSchools Venture Fund is a non-profit venture philanthropy that seeks to transform public education through powerful ideas and passionate entrepreneurs so that all children – especially those in underserved communities – have the opportunity to succeed. NewSchools helped to build the country's first Charter Management Organizations (CMOs) and we remain one of the leading investors in the development and expansion of high-performing CMOs serving high-need communities. Given this experience, I can confidently say that Success Charter Network's is among the nation's finest and most promising CMOs.

I am pleased to write in support of Success Charter Network in their bid for a grant from the Charter Schools Program.

Sincerely,



Jim Peyser
Managing Partner

Project Narrative

Section 3 - Other Attachments: Proof of Non-Profit Status, or not for-profit status

Attachment 1:

Title: SCN_Proof of Non-Profit Status Pages: 2 Uploaded File: SCN 501c3 letter.pdf

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

AUG 23 2007

SUCCESS CHARTER NETWORK INC
C/O HARLEM SUCCESS ACADEMY CHARTER
34 W 118TH ST 3RD FLR
NEW YORK, NY 10026

Employer Identification Number:
20-5298861
DLN:
17053065031027
Contact Person:
DONNA ELLIOT-MOORE ID# 50304
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
DECEMBER 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
YES
Effective Date of Exemption:
JUNE 30, 2006
Contribution Deductibility:
YES
Advance Ruling Ending Date:
DECEMBER 31, 2010

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

If you distribute funds to other organizations, your records must show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence the funds will be used for section 501(c)(3) purposes.

Letter 1045 (DO/CG)

SUCCESS CHARTER NETWORK INC

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Choi". The signature is fluid and cursive, with the first name "Robert" and last name "Choi" clearly distinguishable.

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)
Statute Extension

Letter 1045 (DO/CG)

Project Narrative

Section 4 - Other Attachments: Schools Operated by Applicant

Attachment 1:

Title: SCN_Section 4 - Other Attachments: Schools Operated by Applicant Pages: 1 Uploaded File: Section 4 ?
Schools Operated by Applicant.doc

Other Attachments Section 4 – Schools Operated by Applicant

Success Charter Network currently operates 4 public charter schools in Harlem, New York and was awarded charters to open 3 more schools in the fall of 2010. Information about each school (for the 2010-2011 school year) below:

Harlem Success Academy 1 (HSA 1)

Grade Levels: K-5

School Location: 34 West 118th Street, Second Floor, New York, NY 10026

Charter Information: HSA 1 holds a separate charter

Authorizer: University of the State of New York

Harlem Success Academy 2 (HSA 2)

Grade Levels: K-3

School Location: 144 East 128th Street, New York, NY 10035

Charter Information: HSA 2 holds a separate charter

Authorizer: Charter Schools Institute

Harlem Success Academy 3 (HSA 3)

Grade Levels: K-3

School Location: 141 East 111th Street, 3rd Floor, New York, NY 10029

Charter Information: HSA 3 holds a separate charter

Authorizer: Charter Schools Institute

Harlem Success Academy 4 (HSA 4)

Grade Levels: K-3

School Location: 240 West 113th Street, New York, NY 10026

Charter Information: HSA 4 holds a separate charter

Authorizer: Charter Schools Institute

Harlem Success Academy 5 (HSA 5)

Grade Level: K-1

School Location: 301 West 140th Street, 3rd floor, New York, NY 10030

Charter Information: HSA 5 holds a separate charter

Authorizer: Charter Schools Institute

Bronx Success Academy 1 (BSA 1)

Grade Level: K-1

School Location: 510 East 141st Street, Bronx, NY 10454

Charter Information: BSA 1 holds a separate charter

Authorizer: Charter Schools Institute

Bronx Success Academy 2 (BSA 2)

Grade Level: K-1

School Location: 968 Cauldwell Avenue, Bronx, NY 10456

Charter Information: BSA 2 holds a separate charter

Authorizer: Charter Schools Institute

Project Narrative

Section 5 - Other Attachments: Student Academic Achievement

Attachment 1:

Title: **SCN_Student Achievement Data** Pages: **8** Uploaded File: **SCN_Student Achievement Data.pdf**

Success Charter Network Student Achievement Data

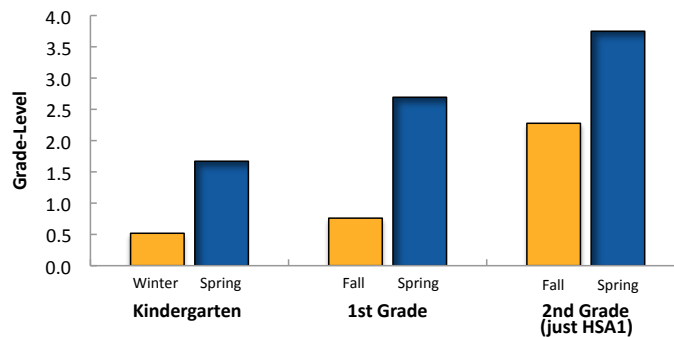
Harlem Success Academies – Year Three Results



OVERVIEW

Harlem Success Academies administers the nationally-normed TerraNova test in Reading, Language Arts, and Math at the beginning and conclusion of each school year.* The results are used to make curriculum decisions, observe academic advancement, and compare our achievement level to that of our peer schools. The graphs in this report are broken down in grade-level and national percentile terms. The performance graphs below represent the average scores of all four schools.

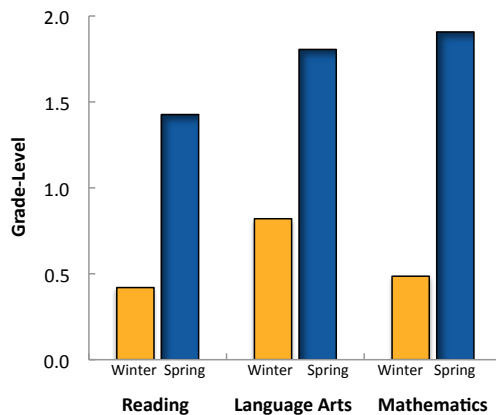
Overall Grade-Level Performance**
2008-2009



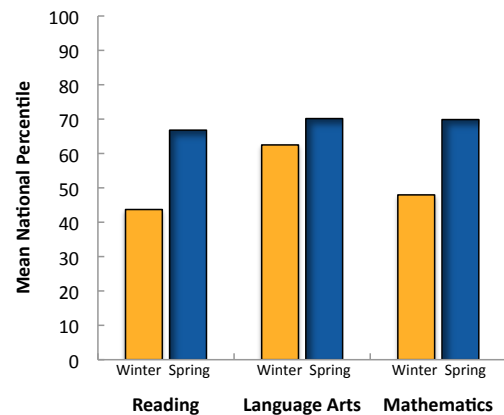
KINDERGARTEN RESULTS – NETWORK PERFORMANCE

When our kindergarten students took the TerraNova in January, they were performing slightly below grade-level. The students improved substantially over the rest of the year. The data indicates that this grade cohort will begin in the 2009-2010 school year above grade-level in every subject area. In Winter 2009, kindergarten scores hovered around the national average. By Spring 2009, kindergarten students ranked among the top third of students nationwide in all subject areas.

Grade-Level Comparison
Winter 2009 – Spring 2009



National Percentile Comparison
Winter 2009 – Spring 2009



* All TerraNova data provided in this report was compiled by CTB-McGraw Hill and provided to Success Charter Network.

** The whole number in the grade mean equivalent score represents the grade-level in years, while the decimal represents the number of months of progress. The national percentile measure compares students to their peers nationwide (including schools in low poverty areas and with selective admissions).

Success Charter Network Student Achievement Data

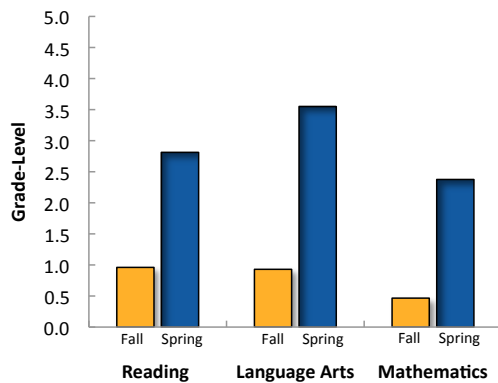
Harlem Success Academies – Year Three Results



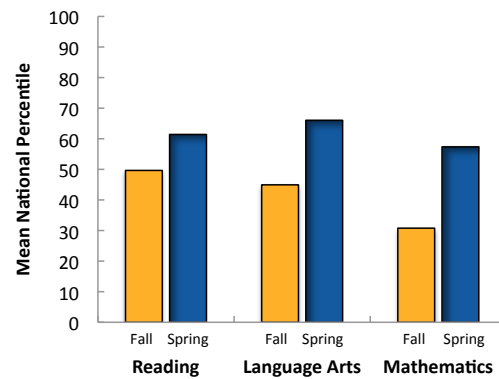
1st GRADE RESULTS – NETWORK PERFORMANCE

First graders at HSA1 took kindergarten with us while first graders at HSA2-4 either had no kindergarten or a non-academic kindergarten experience. First graders made substantial strides during the 2008-2009 academic year. In the Fall of 2008, the average HSA first grader scored below grade-level. By the end of the school year, our first graders were performing above grade-level. Compared to students at other schools, our students began the school year scoring below the national average in all subject areas, especially in Math. By Spring 2009, these same students ranked above the national average.

Grade-Level Comparison
Fall 2008 – Spring 2009



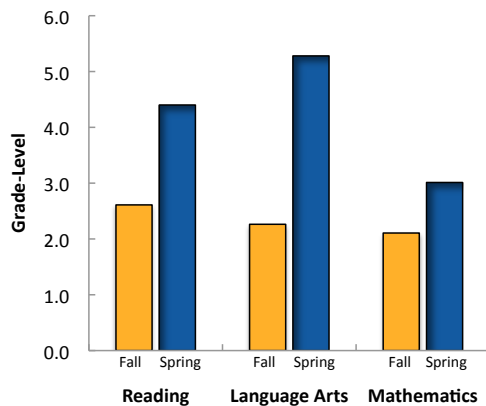
National Percentile Comparison
Fall 2008 – Spring 2009



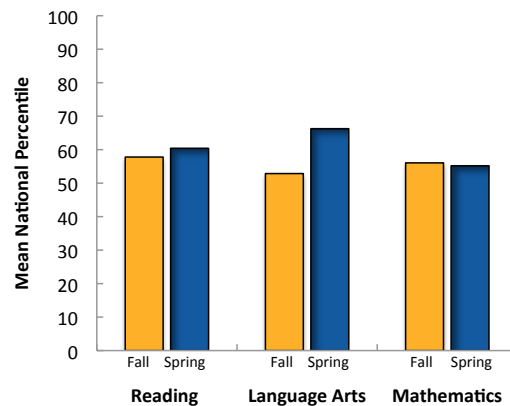
2nd GRADE RESULTS – NETWORK PERFORMANCE

HSA1 was the only school in 2008-2009 that had a second grade. Second graders started the 2008-2009 academic year above grade-level in all subject areas. By the end of the year, students made at least one grade-level of growth in every subject. Also, students ranked among the top half of second grade students. Students made the most substantial gains in Language Arts.

Grade-Level Comparison
Fall 2008 – Spring 2009



National Percentile Comparison
Fall 2008 – Spring 2009



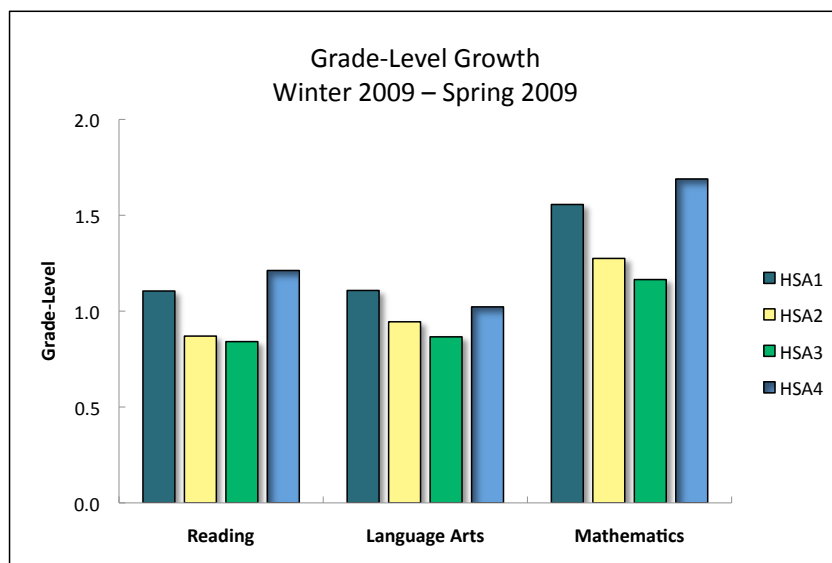
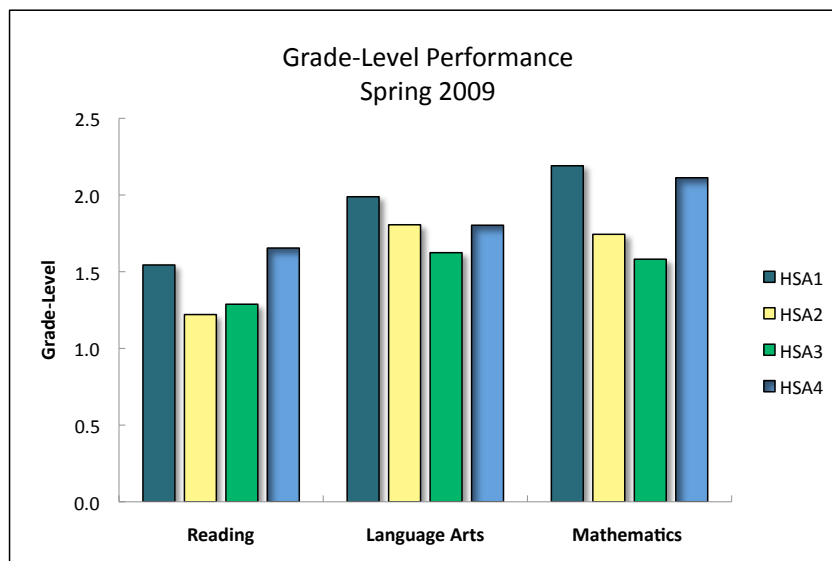
Success Charter Network Student Achievement Data

Harlem Success Academies – Year Three Results



KINDERGARTEN RESULTS – PERFORMANCE BY SCHOOL

Every school is performing above grade-level in Reading, Language Arts, and Math. From Winter 2009 to Spring 2009, each school had at least 0.8 grade-levels of growth in every subject area. Students improved substantially in Math. HSA1 has the strongest overall performance and grade-level growth because HSA1 had more experience under its belt. Below is a breakdown of **student performance** by school, then **student growth** by school.



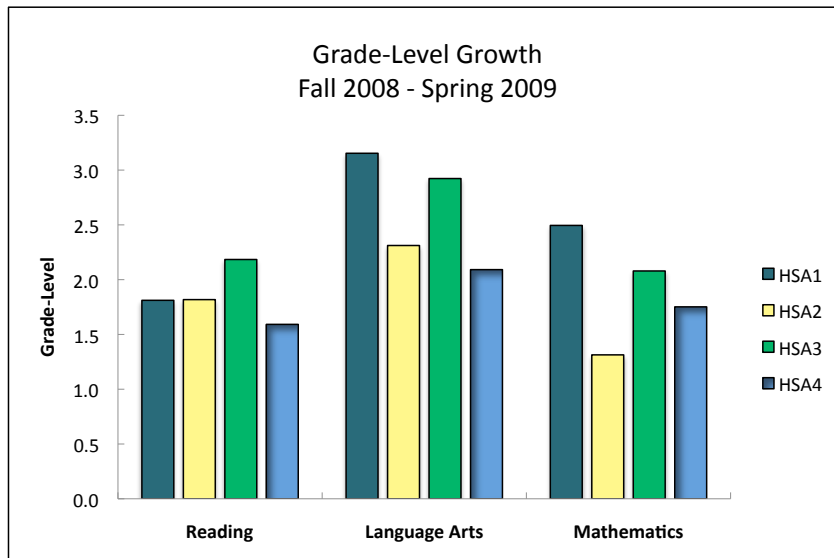
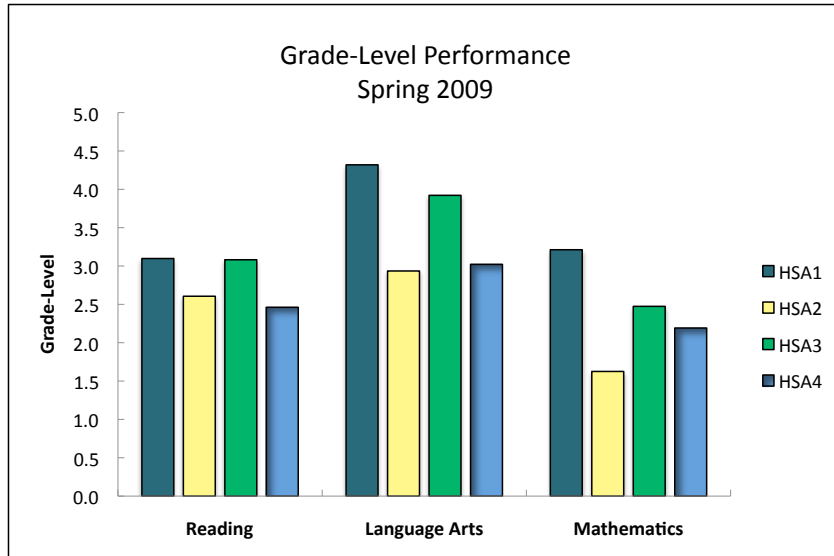
Success Charter Network Student Achievement Data

Harlem Success Academies – Year Three Results



1st GRADE RESULTS – PERFORMANCE BY SCHOOL

In Spring 2009, each school was performing above grade-level in Reading, Language Arts, and Math. First graders were performing above a second grade level in Language Arts. From Fall 2008 to Spring 2009, students made over one grade-level of growth in all subject areas. Overall, HSA1 had the strongest performance because most students attended kindergarten at HSA1 the previous year.



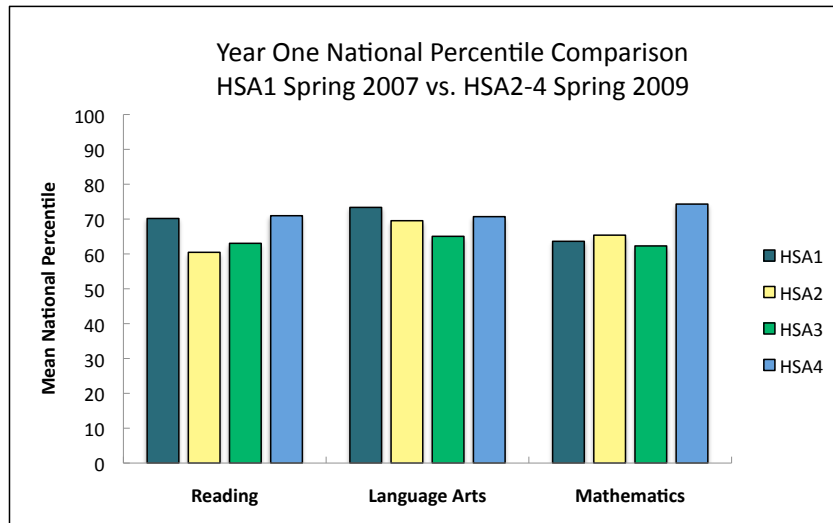
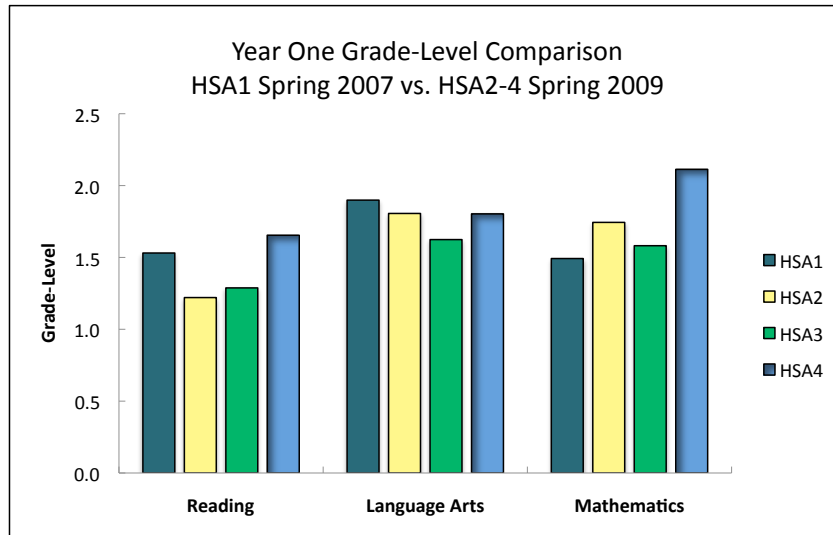
Success Charter Network Student Achievement Data

Harlem Success Academies – Year Three Results



KINDERGARTEN RESULTS – YEAR ONE PERFORMANCE COMPARISON

HSA2-4 began operating in the Fall of 2008. To determine whether our model and systems have improved, we compared HSA2-4 TerraNova scores with those of HSA1 at the end of its first year in operation (May 2007). Results show that in their first year, HSA2-4 outperformed HSA1 in Math. By the end of the first year, each school was performing well above grade-level in all subject areas. Kindergarten students in each school were ranked in the top third of students nationwide.



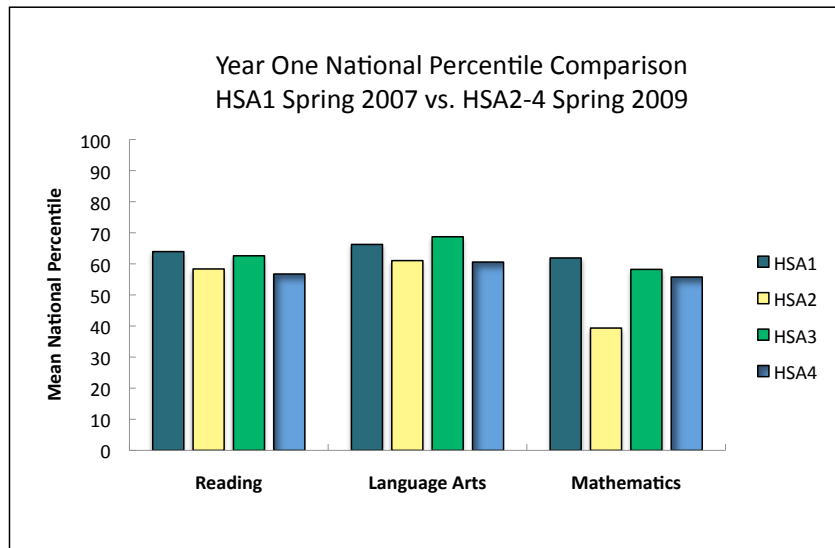
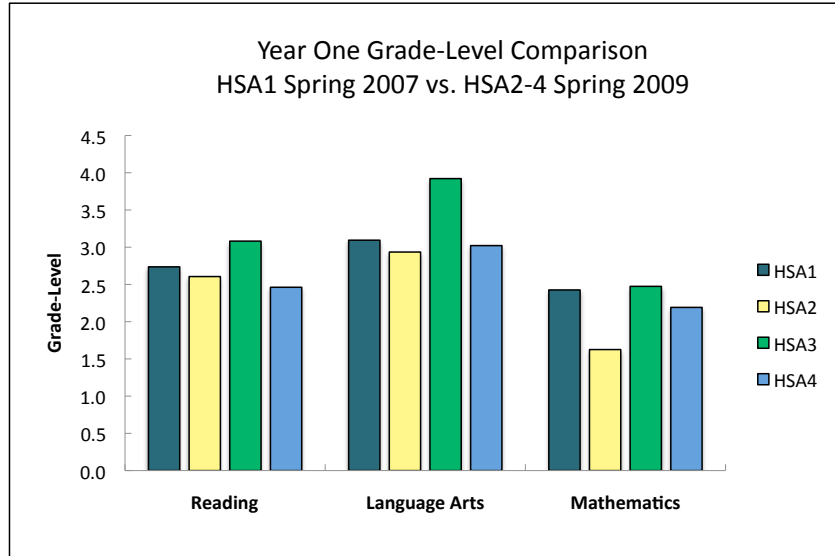
Success Charter Network Student Achievement Data

Harlem Success Academies – Year Three Results



1st GRADE RESULTS – YEAR ONE PERFORMANCE COMPARISON

At the end of year one, each school was performing above grade-level in all subject areas. First graders were above a second grade-level in Reading and Language Arts. Students were also performing in the top half of students nationwide in all subject areas, with the exception of HSA2 Math.



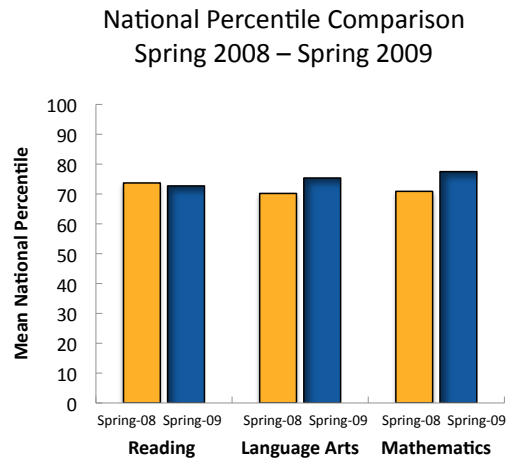
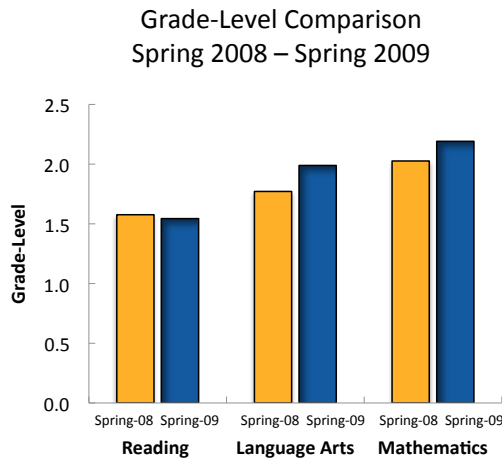
Success Charter Network Student Achievement Data

Harlem Success Academies – Year Three Results



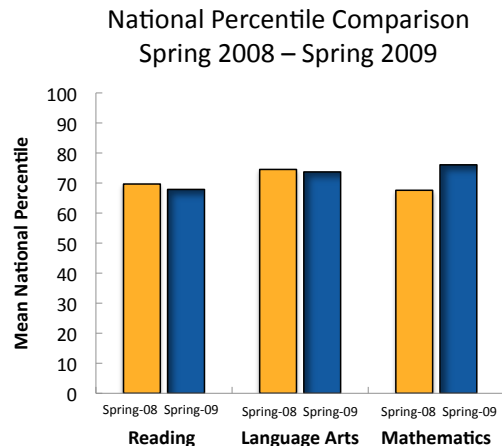
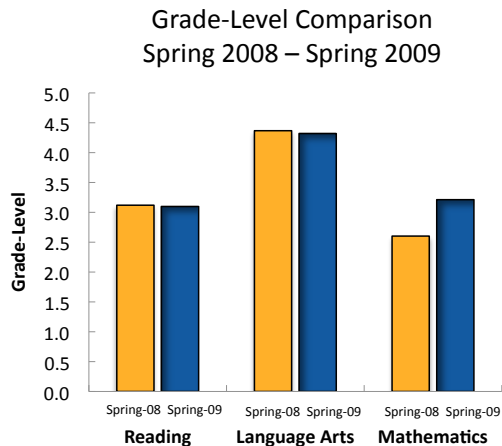
KINDERGARTEN RESULTS – HSA1 END-OF-YEAR PERFORMANCE COMPARISON

Did the network's flagship HSA1 improve over time? To determine, we compared performance at the end of 2008 and end of 2009. Compared to the previous school year, Spring 2009 grade-level scores for kindergarten students improved in Language Arts and Math. Grade-level scores in Reading were very slightly lower. According to the national percentile scores, HSA1 students ranked in the top third of students nationwide in the Spring of 2008 and 2009. In Spring 2009, national percentile scores improved for Language Arts and Math.



1st GRADE RESULTS – HSA1 END-OF-YEAR PERFORMANCE COMPARISON

Between Spring 2008 and 2009, grade-level scores for Reading and Language Arts stayed about the same. Math scores improved substantially in 2009 compared to the previous year.



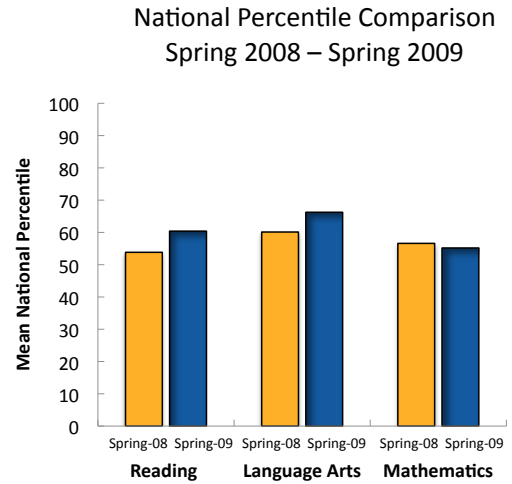
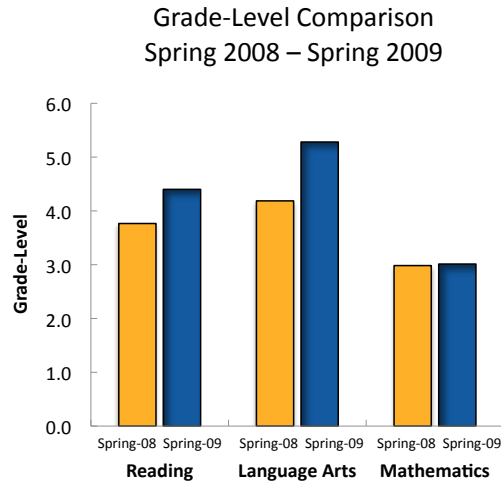
Success Charter Network Student Achievement Data

Harlem Success Academies – Year Three Results



2nd GRADE RESULTS – HSA1 END-OF-YEAR PERFORMANCE COMPARISON

From Spring 2008 to Spring 2009, grade-level scores stayed about the same in Math but improved in Reading and Language Arts. In Spring 2008 and 2009, students were performing above the national average in all subject areas. The national rankings in Reading and Language Arts improved while Math stayed about the same.



Project Narrative

Section 6 - Other Attachments: Supplemental Organizational Budgets and Financial Information

Attachment 1:

Title: **SCN_FY09 Audit and Financial Controls** Pages: **19** Uploaded File: **SCN_FY09 Audit and Financial Controls.pdf**

Excerpt from the Success Charter Network Financial Policies and Procedures Manual

Title: BUDGETING PROCESS

Policy: The Board of Trustees shall approve an annual operating budget for the Network. Any significant adjustments to the budget during the year shall be approved on a quarterly basis. The Network shall manage its budget throughout the year and make adjustments as needed.

Purpose: To outline the procedure for development and management of an annual budget.

Scope: All budgets for the Network and its schools.

Procedure:

I. DEVELOPMENT OF BUDGET

1.0 The CFO/Controller, COO and SCN department heads shall develop the Network's annual operating budgets. Revenues shall be budgeted based on information provided by the relevant entity providing the monies, such as board donors. Budgeted expenses shall be allocated in accordance with the Network's chart of accounts. Personnel expenses shall be budgeted in detail, including, to the extent known, individuals' names, positions and estimated salaries. Other, non-personnel expenses shall be budgeted based on the best available information including prior agreements and historical information, as well as projected changes to the program.

2.0 SCHOOLS: CFO/Controller in conjunction with the COO and the SCN department heads will prepare budgets that include the expenses projected for each school in conjunction with their services. The Finance team will review, give feedback and present to principals of schools for their approval and to the board of trustees. Feedback from these groups will be taken into accounts when finalizing the budgets for the year.

3.0 Finance Employees will enter the budgets into the accounting software and evaluate whether changes to chart of accounts are needed. When applicable, budgets will contain contingencies agreed upon by relevant parties.

II. MANAGMENT OF BUDGET

1.0 The CFO/Controller, CEO, and/or COO shall periodically review the Network's budget vs. actual spending. This review shall be based on reports generated by the finance group that give summary level information. In addition, the finance group shall provide more detailed information, as requested by any of the above individuals, including specific invoice information. During the periodic meetings, changes shall be made to the Network's full year forecast to account for any unplanned revenue changes, any unplanned new hires, terminations, or other personnel changes, as well as any changes in line-item other than personnel spending, based on both year-to-date historical information and projected spending for the remainder of the year. The updated forecast shall be provided to the Board at least quarterly for their review and questions.

Title: GRANT MANAGEMENT

Policy: All costs reported to funders are reconciled to the books and records prior to submission.

Purpose: To outline the procedure for management of government grants as well as tracking the use of private grants and donations

Scope: The Success Charter Network and 7 Success Academies

Procedure:

1.0 SCN and SCHOOLS: Some government grants provide specific contract compliance

guidelines to which the Network is held accountable. Federal funding guidelines are based on the stipulations provided by certain circulars issued by the United States Office of Management and Budget. These circulars outline the basic principles that indicate the permissibility of costs and hence form an integral part of the Network's knowledge base when carrying out programs funded by federal agencies. The finance group will track and document spending related to restricted grants, including summary or detail information for both personnel and other than personnel costs.

2.0 In the case of all foundation grants, the funding sources will be tracked in the Accounting system according to the restrictions listed in the grant agreement, or the relevant correspondence. The backup for these revenues sources—correspondence, compliance forms, payments and other items—will be kept in the accounts receivable folder and clear beginning and end dates should be listed.

3.0 The Finance Employees will collaborate to ensure that the grants listings are readily available to those entering invoices into accounts payable. These funding sources will be marked whenever possible, and the addition of new funding sources; especially with restrictions associated with them, will be approved by the CFO/Controller.

4.0 When applicable, the External Affairs department and those who communicate directly with the grant-makers will review the report and make suggestions.

SUCCESS CHARTER NETWORK, INC.

FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

SUCCESS CHARTER NETWORK, INC.
FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

C O N T E N T S

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FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION:	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5 - 12
INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION	13
SCHEDULE OF FUNCTIONAL EXPENSES	14

FRUCHTER ROSEN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
156 WEST 56TH STREET
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600
FAX: (212) 957-3696

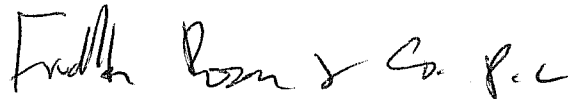
INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
SUCCESS CHARTER NETWORK, INC.

We have audited the accompanying statements of financial position of Success Charter Network, Inc. (the "Network") as of June 30, 2009 and 2008, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Network's Management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior period's summarized comparative information has been derived from the Network's 2008 financial statements, and in our report dated March 9, 2009 we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Network as of June 30, 2009 and 2008, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
December 23, 2009

SUCCESS CHARTER NETWORK, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,656,781	\$ 460,766
Other receivables	3,500	21,992
Prepaid expenses	9,384	26,098
Due from related parties	<u>580,063</u>	<u>601,832</u>
Total current assets	2,249,728	1,110,688
Property and equipment, net of accumulated depreciation and amortization of \$100,165 and \$29,747, respectively	<u>282,647</u>	<u>294,240</u>
TOTAL ASSETS	<u><u>\$ 2,532,375</u></u>	<u><u>\$ 1,404,928</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 282,844</u>	<u>\$ 109,865</u>
Net assets:		
Unrestricted	2,224,531	1,022,355
Temporarily restricted	<u>25,000</u>	<u>272,708</u>
Total net assets	<u>2,249,531</u>	<u>1,295,063</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,532,375</u></u>	<u><u>\$ 1,404,928</u></u>

The accompanying notes are an integral part of the financial statements.

SUCCESS CHARTER NETWORK, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2009			2008
	Unrestricted	Temporarily Restricted	Total	Total
Revenue and support:				
Contributions				
Charitable organizations	\$ 1,291,010	\$ 985,000	\$ 2,276,010	\$ 1,600,464
Individuals	1,527,861	72,983	1,600,844	1,808,077
Special events	226,001	-	226,001	498,527
Management fees	1,144,797	-	1,144,797	306,172
Donated services	18,000	-	18,000	-
Investment income, net	10,596	-	10,596	8,924
Other income	1,577	-	1,577	-
Net assets released from restrictions - satisfaction of purpose restriction	1,305,691	(1,305,691)	-	-
Total revenue and support	5,525,533	(247,708)	5,277,825	4,222,164
Expenses:				
Program services	3,617,762	-	3,617,762	2,609,641
Fundraising	327,000	-	327,000	307,497
Management and general	378,595	-	378,595	236,101
Total expenses	4,323,357	-	4,323,357	3,153,239
Changes in net assets	1,202,176	(247,708)	954,468	1,068,925
Net assets - beginning of year	1,022,355	272,708	1,295,063	226,138
Net assets - end of year	\$ 2,224,531	\$ 25,000	\$ 2,249,531	\$ 1,295,063

The accompanying notes are an integral part of the financial statements.

SUCCESS CHARTER NETWORK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 954,468	\$ 1,068,925
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	70,418	29,747
Changes in certain assets and liabilities:		
Decrease (Increase) in other receivables	18,492	(21,992)
Decrease (Increase) in prepaid expense	16,714	(24,182)
Decrease (Increase) in due from related parties	21,769	(601,832)
Increase in accounts payable and accrued expenses	172,979	101,361
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,254,840</u>	<u>552,027</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(58,825)	(264,508)
Proceeds from sale of donated securities	<u>-</u>	<u>71,942</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(58,825)</u>	<u>(192,566)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,196,015	359,461
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>460,766</u>	<u>101,305</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,656,781</u></u>	<u><u>\$ 460,766</u></u>

NONCASH INVESTING ACTIVITIES:

For the years ended June 30, 2009 and 2008, the Network received stock donations valued at \$76,311 and \$69,195, respectively. The sale of these securities resulted in a realized loss of \$1,803 and \$252 for the years ended June 30, 2009 and 2008, respectively.

The accompanying notes are an integral part of the financial statements.

SUCCESS CHARTER NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Success Charter Network, Inc. (the "Network") is a Delaware, not-for-profit corporation that was incorporated on June 30, 2006. The Network has been determined by the Internal Revenue Service to be tax-exempt under Section 501(a) of the Internal Revenue Code ("the Code") as an organization described in Section 501(c)(3) of the Code, and is treated as a publicly supported organization described in Code Sections 509(a)(1) and 170(b)(1)(A)(vi).

The purposes of the Network, are exclusively charitable and educational, within the meaning of Code Section 501(c)(3). The goal of the Network is to improve public education by developing a model public school program that can be replicated. During its planning phase, The Network conducted extensive research to design a scalable model for effective public education.

The Network - which aims to serve primarily low-income children in under-resourced communities - is affiliated with four charter schools. Harlem Success Academy Charter School 1 ("HSA1") which opened August 2006 and Harlem Success Academy Charter School 2, 3, and 4 ("HSA2, 3, 4") which opened in August 2008. The Network supports the affiliated charter schools by providing educational and operating materials, training, financial support and services.

Basis of Presentation

The financial statements of the Network have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Financial statement presentation follows the requirements of Statement of Financial Accounting Standards ("SFAS") No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Network is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The net assets classifications are described as follows:

Unrestricted

Net assets of the Network whose use has not been restricted by an outside donor or by law. They are available for any use in carrying out the operations of the Network.

Temporarily Restricted

Net assets of the Network whose use has been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Network. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities and changes in net assets, as net assets released from restrictions.

SUCCESS CHARTER NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Permanently Restricted

Net assets of the Network whose use has been permanently limited by donor-imposed restrictions. Such assets include contributions required to be invested in perpetuity, the income from which is available to support charitable purposes designated by the donors.

As of June 30, 2009 and 2008, the Network had no permanently restricted net assets.

Revenue and Support

Contributions are recognized when the donor makes a Promise to Give to the Network that is, in substance, unconditional. Grants and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations. Contributions and grants that are made to support the Network's current year activities are recorded as unrestricted revenue. Contributions of assets other than cash are recorded at their estimated fair value.

Concentration of Credit Risk

Financial instruments which potentially subject the Network to concentrations of credit risk are cash and cash equivalents. The Network places its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. Cash balances may exceed the FDIC insured levels of \$250,000 per institution at various times during the year. The Network believes that there is little risk in any losses and has not experienced any losses in such accounts.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Network considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

SUCCESS CHARTER NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

Property and Equipment

Purchased property and equipment are stated at cost. Maintenance and repairs are expensed as incurred. Depreciation and amortization is provided on the straight line method over the estimated economic useful lives of these assets as follows:

Equipment	5 years
Furniture and fixtures	7 years
Website and software	3 years
Leasehold improvements	15 years

Reclassifications

Certain 2008 accounts have been reclassified to conform to the 2009 financial statement presentation. The reclassifications have no effect on 2008 total assets, liabilities, net assets and changes in net assets.

Recent Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board (the "FASB") issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*- an interpretation of FASB Statement No. 109 ("FIN 48"). FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. If there are changes in net assets as a result of application of FIN 48, these will be accounted for as an adjustment to the opening balance of net assets. Additional disclosures about the amounts of such liabilities will also be required. In 2008, the FASB delayed the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Network will be required to adapt FIN 48 in its June 30, 2010 financial statements. The adoption of FIN 48 is not expected to have a material impact on the Network's financial position, results of operations or cash flows.

NOTE 2 - FAIR VALUE MEASUREMENTS

FASB Statement No. 157, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

SUCCESS CHARTER NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 2 - INVESTMENT IN MARKETABLE SECURITIES (Continued)

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2009 and 2008.

Equity securities: Valued at the closing price reported on the securities market on which the investment is traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Network believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Network held no marketable securities for the years ended June 30, 2009 and 2008.

SUCCESS CHARTER NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 2 - INVESTMENT IN MARKETABLE SECURITIES (Continued)

Investment income at June 30, 2009 and 2008 consisted of:

	<u>2009</u>	<u>2008</u>
Interest and dividends	\$ 12,399	\$ 9,176
Realized (loss)	(1,803)	(252)
Net investment income	<u>\$ 10,596</u>	<u>\$ 8,924</u>

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Equipment	\$ 240,129	\$ 191,273
Furniture and fixtures	68,856	68,856
Website and software	50,162	40,193
Leasehold improvements	<u>23,665</u>	<u>23,665</u>
	382,812	323,987
Less: Accumulated depreciation and amortization	<u>100,165</u>	<u>29,747</u>
	<u>\$ 282,647</u>	<u>\$ 294,240</u>

Depreciation and amortization expense was \$70,418 and \$29,747, respectively for the years ended June 30, 2009 and 2008.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Network is dedicated to helping start, manage and provide charter schools with administrative support services.

Pursuant to the terms of the Academic and Business Service Agreement by and between the Network and the Schools, dated at various months during 2008, the Network shall provide educational management and operational services to the Schools. As compensation to the Network for these services rendered, the Schools shall pay to the Network an amount each year equal to the total full-time equivalent enrollment of students in the School multiplied by "the per pupil fee" of \$1,243. The per pupil fee shall be increased or decreased each year by the percentage increase or decrease in the Final Adjusted Expense Per Pupil for charter schools in the New York City school district commencing with and including the 2008-2009 school year.

SUCCESS CHARTER NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued)

For the years ended June 30, 2009 and 2008, the Network recognized management fee revenue of \$1,144,797 and \$306,172, respectively as follows:

	2009	2008
HSA1	\$ 482,726	\$ 306,172
HSA2	227,294	-
HSA3	224,845	-
HSA4	209,932	-
	<u>\$ 1,144,797</u>	<u>\$ 306,172</u>

Balance due from related parties amounted to \$580,063 at June 30, 2009. The balance due consisted of management fee receivable of \$25,412 and expenses paid on behalf of the affiliated charter Schools of \$554,651 as summarized below:

	Total	Management fee revenue	Expenses paid on behalf of Schools
HSA 1	\$ 194,068	\$ 6,071	\$ 187,997
HSA 2	103,808	9,387	94,421
HSA 3	141,903	8,183	133,720
HSA 4	140,284	1,771	138,513
	<u>\$ 580,063</u>	<u>\$ 25,412</u>	<u>\$ 554,651</u>

Balance due from related parties amounted to \$601,832 at June 30, 2008. The balance due consisted of management fee receivable of \$306,172 and expenses paid on behalf of the affiliated charter Schools of \$295,660 as summarized below:

	Total	Management fee revenue	Expenses paid on behalf of Schools
HSA 1	\$ 364,609	\$ 306,172	\$ 58,437
HSA 2	78,089	-	78,089
HSA 3	78,089	-	78,089
HSA 4	81,045	-	81,045
	<u>\$ 601,832</u>	<u>\$ 306,172</u>	<u>\$ 295,660</u>

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2009 are available for the following purposes:

General operations of the Network	<u>\$ 25,000</u>
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SUCCESS CHARTER NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS (Continued)

Net assets for the year ended June 30, 2009, were released from donor restrictions by satisfying the purpose specified by donor as follows:

Network events and outreach programs	\$ 710,000
Network general operations	250,000
Documentary costs	72,983
Data and technology	71,903
Teacher recruitment and student assessments	151,728
Student recruitment and enrollment	49,077
	<u>\$ 1,305,691</u>

NOTE 6 - OPERATING EXPENSES

Operating expenses are presented in the statement of activities on a functional basis, classified according to the significant program activity related to the purpose for which the Network exists.

The significant activities are:

Program Services

Expenses directly associated with the planning and "start-up" of charter schools and with the Network operations, support, and educational services offered to the schools; and the development of a framework for a model public school that can be replicated in an effort to improve K-12 public education.

Fundraising

Expenses directly associated with the solicitation of grants and contributions for The Network.

Management and General

Expenses directly related to the overall operation of The Network which are not associated with any single program or other operating service.

NOTE 7 - CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursements. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

SUCCESS CHARTER NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 8 - DONATED SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, "Accounts for Contributions Received and Contributions Made," if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School.

One individual provided legal services to the Network at no charge. The value of these services meets the criteria for recognition in the financial statements and was recorded at fair value of \$18,000 and \$-0- for the years ended June 30, 2009 and 2008, respectively.

NOTE 9 - RETIREMENT PLAN

The Network maintains a pension plan qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, the Network will match employee contributions up to 3% of annual compensation. Employer match for the years ended June 30, 2009 and 2008 amounted to \$22,323 and \$27,939, respectively.

FRUCHTER ROSEN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
156 WEST 56TH STREET
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600
FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT
ON ADDITIONAL INFORMATION

TO THE BOARD OF DIRECTORS
SUCCESS CHARTER NETWORK, INC.

Our report on our audits of the basic financial statements of Success Charter Network, Inc. as of June 30, 2009 and 2008, appears on Page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.



FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
December 23, 2009

SUCCESS CHARTER NETWORK, INC.
SCHEDULE OF FUNCTIONAL EXPENSES

	For The Year Ended June 30, 2009			For The Year Ended June 30, 2008
	Program Service	Fundraising	Management and General	Total
Salaries	1,862,085	172,825	153,760	2,188,670
Payroll taxes and benefits	282,660	26,234	23,340	332,234
Professional development	26,626	-	4,670	31,296
Legal fees	-	-	20,112	20,112
Audit and accounting fees	37,170	-	105,086	142,256
Professional fees	11,773	-	2,065	13,838
Travel and entertainment	56,588	9,925	-	66,513
Meals	11,636	1,080	961	13,677
Marketing	132,988	12,343	10,981	156,312
Special events	160,884	73,742	-	234,626
Teacher/Staff recruitment	199,039	-	18,588	217,627
Consulting	85,881	7,971	7,092	100,944
Office supplies	44,283	4,110	3,657	52,050
School culture and supplies	-	-	-	-
Equipment rental and supplies	1,604	149	132	1,885
Student recruitment	437,870	-	-	437,870
Telephone and internet service	66,485	6,171	5,490	78,146
Postage and delivery	17,725	1,645	1,464	20,834
Insurance	6,140	-	1,077	7,217
Printing and copying	21,730	2,017	1,794	25,541
Information technology	75,761	7,032	6,256	89,049
Depreciation and amortization	59,910	-	10,508	70,418
Miscellaneous	18,924	1,756	1,562	22,242
Total	\$ 3,617,762	\$ 327,000	\$ 378,595	\$ 4,323,357
				\$ 3,153,239

Project Narrative

Section 7 - Other Attachments: Additional Information

Attachment 1:

Title: **SCN_Key Staff, Board and Researcher Bios Pages: 14** Uploaded File: **Key People_bios.pdf**

Joel Greenblatt, Board Chair

Success Charter Network is lead by Founding Board Chair Joel Greenblatt. Joel Greenblatt is the founder and managing partner of Gotham Capital. Known world wide for his value investing approach, he manages combined assets of \$1.5 billion. In 1997, Joel Greenblatt published the investing book *You Can Be a Stock Market Genius* (Simon and Schuster), which the Wall Street Journal called a "cult hit." His second investing book, *The Little Book That Beat the Market* (John Wiley & Sons, 2005) became a *New York Times* bestseller. For the past ten years, Joel Greenblatt has also taught finance and investing at the Columbia Business School. Joel's interest and work in education has a long history. He became involved with PS 65 in Queens where his involvement facilitated a widely publicized turnaround in the school's student achievement. While he invested in the implementation of a literacy and math program, Success For All (SFA), his main contribution was in the area of school design. He created a cost-effective supplement to SFA that resulted in ALL children at the school reading and doing math at or above grade level. He is on the Board of Trustees of the Institute for Student Achievement, an organization that works with schools to improve educational opportunities for students and ensure their success in college and later in life. He is also Chairman of the Board of the University of Pennsylvania's Graduate School of Education, where he is spearheading an effort to revise and reform teacher training. Finally, he founded the Success Charter Network and had the original vision of the importance of replication and scalability

Gerry House, Board of Trustees

Dr. Gerry House became President and CEO of the Institute for Student Achievement on Long Island, NY in 2000 after an eight-year tenure as superintendent of the Memphis City Schools. Prior to that, Dr. House was superintendent of the Chapel Hill, N.C. school system for seven years. She has also served as a teacher, junior and senior high guidance counselor, principal and assistant superintendent. Dr. House has served on many national boards, has won many awards, and has many published works.

David Greenspan, Board of Trustees

David Greenspan is Partner and Managing Director of the highly successful investment firm Blue Ridge Capital. In addition to managing the staff and strategic direction of the hedge fund, Greenspan is an adjunct faculty member at Columbia Business School, where he received his business degree with honors. Greenspan has served on numerous executive boards throughout the course of his career and now devotes his time to the Success Charter Network Board, Executive Advisory Board of the Heilbrunn Center for Graham & Dodd Investing of Columbia Business School.

Yen Liow, Board of Trustees

Yen Liow is the Sector Head of ZBI Equities, Ziff Brothers Investments' multi-billion dollar private equity fund. Mr. Liow oversees billions of dollars of investments in telecommunications, Internet and media in four continents. His leadership has brought tremendous success to his firm and his expertise in developing systems to support a large organization. Liow received his MBA from the Harvard Business School with the highest honors as a George F. Baker Scholar.

Gideon Stein, Board of Trustees

Gideon Stein is currently a partner with Argyle Holdings LLC, a real estate development company of premier residential properties in Northern Manhattan. Mr. Stein was formerly founder, CEO and Chairman of Ominpod, Inc., the leading on-demand provider of real-time messaging to the enterprise market. Before Ominpod's sale to MessageLabs Group, Ltd., one of the world's largest private software companies (and now a division of Symantec), Ominpod amassed a client base of several hundred customers including Agilent Technologies, PepsiCo, Mayo Clinic, and the States of Florida and Pennsylvania. Mr. Stein was also a founding partner of MR Ventures, a private investment firm with a portfolio of companies concentrated in media, commerce and software, including 360merch (sold to iPromoteU), Blue Media Ventures, and E! the Magazine (a joint venture with Interpublic Group of Companies and E! Entertainment Television). In addition, Mr. Stein serves on the board of directors of the Moriah Fund, a private foundation. Mr. Stein also served on the board of directors of the Real Silk Investment Company, a publicly traded regulated investment company, until its sale to Lord Abbett Affiliated Funds. Mr. Stein graduated with honors from Wesleyan University with a degree in Economics and History. Stein both sits on the Success Charter Network board and serves as Chair of the Harlem Success Academy 5 board.

Donna Kennedy, Board of Trustees

Donna is a founding member of the Gillen Brewer School and has been there for 16 years. She has served as the Executive Director and Head of School for past 5 years.

Gillen Brewer is a State Approved, Special Education School serving 86 moderate to severe special education students who are all funded through the DOE and unable to be placed in the public school system. Donna has over 20 years of experience in this field.

She holds an MS in Special Education with an emphasis in Learning Disabilities from Hunter College and and MEd from Bank Street College of Education in Supervision and Administration.

Eva Moskowitz, Chief Executive Officer

Success Charter Network is managed by CEO, Eva Moskowitz. As a teacher, former City Council Member and Council Education Committee Chair, and a public school mom, Eva is uniquely qualified to successfully lead Success Charter Network to achieve both of its goals: creating and running high-performing schools and leading the fight for parental choice and educational equity. Eva has intimate knowledge of the first generation of charter management organizations and their successes and failures, fundamentally understands the elements of great schools, who knows the ins and outs of the city and state education bureaucracy and can anticipate and tackle political hurdles.

As Chair of the New York City Council's Education Committee, Eva spent seven years investigating every conceivable topic related to quality public education. She visited 43 of the 58 charter schools in New York City. She held more than 125 hearings on everything from math instruction to copy paper. She wrote an extensive set of reports that received national recognition for their in-depth and honest, sometimes brutal, examination of every aspect of public education that affects teaching and learning.

Keri Hoyt, Chief Operating Officer

Prior to joining Success Charter Network, Keri Hoyt worked for The Princeton Review for eighteen years. In quick succession she ran Marketing for the Palo Alto office, ran the Graduate Services department for the Boston office, and then took over the Boston office itself. With Keri at the helm, the Boston office doubled in revenue and received the best office award five years in a row. While growing her team and her revenue line, Keri established a company wide reputation as an innovative thinker, motivational manager, and emerging leader. It was this reputation and her stellar results that attracted the attention of the Princeton Review corporate office in New York City. In 2001, Keri moved to New York where her input was eagerly sought in many of the company's initiatives including Content, Higher Education Services, Admissions Services, Supplemental Education Services, Test Prep, and School Based products and sales. In 2004, the company sent Keri to Wharton's Executive MBA program where she excelled. As a freshly minted MBA, Keri took on increasingly larger responsibilities within the company naming her one of its most senior executives. It has always been the impact she and the company's services have on students that motivates Keri.

Chuck Klein, Controller

Chuck Klein began his career in 1990 at a small accounting firm, Krinsky & Epstein, CPAs, where he was a staff accountant. While at Krinsky & Epstein he became a CPA licensed in the state of NY. In 1994 Chuck began working for Cooper's & Lybrand LLP which at the time was a big 6 accounting firm. He was a Senior Associate in the Financial Services Auditing group and spent most of his time working on the Goldman Sachs audit. In 1998 Chuck was hired at Goldman Sachs to work in their Controller's division. Chuck worked at Goldman for 10 years -- 4 in the Mortgage Product Control group where he was promoted to Vice President and 2 years in Financial Reporting where he was responsible for the firm's external and management reporting. For the last 4 years Chuck was in charge of the Securities Division's Management Reporting group where he handled the financial reporting for the Equities and Fixed Income Currencies and Commodities divisions.

Paul Fucaloro, Director of Instruction

Paul Fucaloro is a veteran educator who has served New York City's public school children since 1968. He has worn many hats – from Kindergarten teacher to Director of Professional Development for former Community School District 16 in Brooklyn. As Math Facilitator of Public School 65Q's Success for All program, Paul was instrumental in the school's rapid improvement from 45% to 95% of students scoring at or above grade level in mathematics. Paul has also taught at Long Island University, Catholic College in Long Island, Bronx Community College, Brooklyn College, and graduate level education courses at a number of City University campuses.

Arin Lavinia, Director of Literacy

Arin Lavinia is a former Literacy Consultant, and Staff Developer at Columbia University's Teachers College Reading and Writing Project where she trained administrators, coaches, and teachers, and led Reading and Writing Institutes in New York City and nationally. Prior to joining the Reading and Writing Project, she taught public school for several years in Manhattan's former District 2, while simultaneously staff developing teachers and administrators in New York City's Region 9.

UCARE Evaluation Team

The Hunter College Urban Center for Assessment, Research, and Evaluation (UCARE) was established to serve colleges and universities, K-12 public schools, community-based and non-profit organizations in their efforts to improve teaching and learning in urban settings. In keeping with this mission, the center offers a variety of programs and services including: 1) Curriculum and Program Development; 2) School Collaboration and Improvement ; 3) Educational and Psychological Assessment ; 4) Program Evaluation; 5) Research; 6) Instructional Technology; and 7) Dissemination .

Our research and consulting faculty represent a diversity of research perspectives and experience in the fields of Psychology, Sociology, Developmental Psychology, Educational Psychology, Educational Measurement and Program Evaluation, each contributing to the fulfillment of our mission to improve teaching and learning in urban settings.

The Evaluation Team for this project will include two members of UCARE:

Sherryl Browne Graves is Professor and Acting Dean of the Hunter College School of Education She received a doctorate in Clinical Psychology and Public Practice from Harvard University. Her previous research interests have focused on the impact of diversity in the educational process and the use of technology in the classroom. She also served as co-principal investigator on two projects to increase minority participation in teacher preparation programs, one funded by the DeWitt Wallace Foundation and other funded by the US Department of Education. Graves is currently director of UCARE, a research and evaluation group at Hunter College. She has directed a number of prior

evaluation projects. Graves completed a program evaluation for the Ford Foundation of a professional development project to help teachers use a prejudice-reduction video series. She also was part of a team evaluating bilingual education programs in a school district in upstate NYC. Graves evaluated a diversity professional development project for teachers in an independent school and she conducted an evaluation for teacher professional development in an integrated middle school social studies curriculum. Most recently Graves conducted an evaluation for The After School Corporation's Noyce project, examining the impact of informal science activities in out-of-school settings and the FWA's Financial Backpack Literacy project. She was also a participant in the internal evaluation effort of the \$13 million MSPinNYC project at Hunter College designed to modify science instruction in secondary schools.

Gess LeBlanc is Associate Professor and Acting Chair of the Department of Educational Foundations and Counseling Programs within Hunter College's School of Education. He received his doctoral degree from the Ph.D. Program in Developmental Psychology at the City University of New York Graduate Center. He is a co-founder of UCARE. His interests include the role of peer-based instruction in student learning, developing techniques for enhancing achievement motivation in children and adolescents, and examining culturally responsive pedagogy. Along with Dr. Graves, he served as an internal evaluator for the NSF Math Science Project in NYC (MSP in NYC).

Additionally, he has conducted an evaluation of professional development activities at a New York City public K-8 school and an evaluation of the Middle School Initiative Programs for the Harlem Center for Education, Inc. He is currently conducting an evaluation of the Harlem Center for Education's Talent Search and Educational

Opportunity Centers programs which are funded through the US Department of Education's Federal TRIO grants.

Caroline Hoxby is the Scott and Donya Bommer Professor of Economics at Stanford University, a Senior Fellow of the Hoover Institution, the Director of the Economics of Education Program at the National Bureau of Economic Research, and a Presidential appointee to the National Board of Education Sciences. She is a Public and Labor Economist and a leading scholar in the Economics of Education. Her research includes studies of college choice, the effects of financial aid, the outcomes of graduates from different colleges, college tuition policy, public school finance, school choice, the effect of education on economic growth and income inequality, teacher pay and teacher quality, peer effects, and class size. She also works on topics that fit under the headings of public finance (such as property taxes) and labor economics (such as returns to skills). Prior to Stanford, Hoxby was the Allie S. Freed Professor of Economics and a Harvard College Professor at Harvard University. She has a Ph.D. from MIT, studied at Oxford as a Rhodes Scholar, and obtained her baccalaureate degree from Harvard University. She is currently completing studies on how education affects economic growth; globalization in higher education; peer effects in education; and the effects of charter schools on student achievement.

Budget Narrative

Budget Narrative

Attachment 1:

Title: **SCN_Budget Narrative** Pages: **12** Uploaded File: **SCN_Budget Narrative.pdf**

Success Charter Network's Expansion and Replication Plan

Budget Narrative

Our Model

By the conclusion of the grant period, eleven of SCN's elementary schools and two of its middle schools will be sustained entirely on city and state funding. Even though SCN schools receive significantly less money per pupil than similarly situated traditional public schools in New York City, SCN's school model was developed with the goal of educating students more effectively on less money per pupil than traditional public schools. Its academic and fiscal record shows that it can be successful on both counts.

Having opened and operated four schools and being in the process of opening three more in Summer 2010, SCN has compiled many years of financial data on the costs related to opening schools and educating students. All budget figures and assumptions are based on SCN's past experiences and careful projections. Additionally, all anticipated salaries are competitive for the New York City job market. All numbers are given as base values for year 1 of the project. SCN has prepared the budget summary assuming a 3% inflation rate each year. While this may be higher than the actual inflation rate, SCN chose it to ensure its projections were conservative.

During the start-up period, costs associated with expansion (i.e. student recruitment costs, desks, chairs, etc.) are not covered by per pupil funding. Thus, the attached budget requests funding for costs incurred only in the first three years of a school's existence. After three years, our schools become self-sufficient and are no longer incorporated into the Expansion and Replication budget. Any increase in requested funding, therefore, indicates the opening of an additional school.

During the first year of the grant period, three of SCN's existing elementary schools (HSA2, HSA3, and HSA4) will be in their third year of existence, so they are still not fully self-sufficient. As a result, they will rely on the Expansion and Replication Plan for funding for student and teacher recruitment.

New schools

Schools in 3rd year of existence in 2010-2011: HSA2, HSA3, HSA4

Group 1 / Opening in 2010-2011: HSA5, BSA1, BSA2

Group 2 / Opening in 2011-2012: SA8

Group 3 / Opening in 2012-2013: MS1¹, MS2, SA9, BSA3, BSA4

Group 4 / Opening in 2013-2014: SA10, BSA5, BSA6

Group 5 / Opening in 2014-2015: MS3, BSA7, BSA8, BSA9

Section A: Federal Funding Budget

1. Personnel

No funding is requested for personnel costs.

2. Fringe Benefits

No funding is requested for fringe benefits.

3. Travel

Per the terms of the grant, SCN will request \$5,000 for the Expansion and Replication project manager to travel to Washington, D.C., each year (or as needed) for training.

4. Equipment

SCN requests that 20% of technology expenses be covered by the CSP grant. When each

¹ Even though MS1 will open for Year One of the project, its finances will remain under HSA1 for the first two years of its existence. In Year Three, it will operate in a separate facility and will require stand-alone financial reporting.

elementary school is opened, approximately \$200,000 is spent on technology equipment (mainly interactive whiteboards with student response devices, and document cameras). In the second year, when one new grade is added, approximately \$70,000 is spent, followed by \$245,000 in the third year when, in addition to classroom numbers expanding, carts with thirty laptops are purchased for the rising third-graders. In addition to the technology expenses associated with opening new classrooms, middle school technology equipment costs will also include laptop purchases each year. Total middle school technology costs will average \$695,000 in the first year, followed by \$675,000 in the second year and \$500,000 in the third. Thus, SCN's ask for each elementary school is \$40,000, \$14,000, and \$49,000 for years 1-3, respectively; and for each middle school is \$139,000, \$135,000, and \$100,000 for years 1-3, respectively.

- **Year One:** Group 1 schools open.
- **Year Two:** Group 2 school opens. Group 1 expands by one grade.
- **Year Three:** Group 3 schools open. Groups 1 and 2 expand by one grade. Group 1 incurs additional laptop expenses for third-graders.
- **Year Four:** Group 4 schools open. Groups 2 and 3 expand by one grade. Group 2 incurs additional laptop expenses for third-graders. (Group 1 is self-sufficient)
- **Year Five:** Group 5 schools open. Groups 3 and 4 expand by one grade. Group 3 incurs additional laptop expenses for third-graders (Group 2 is self-sufficient)

5. Supplies

- A. **Classroom costs:** SCN requests that 50% of classroom costs be covered by the CSP grant. When each school is opened, a variety of startup supplies--bookshelves, desks, cubbies, etc—are purchased. The average setup cost for a single classroom

\$7,500. SCN anticipates for this to be true across elementary and middle schools.

Over the project period, SCN will be opening over 200 classrooms.

- **Year One:** Group 1 opens and spends roughly \$7500 per classroom.
- **Year Two:** Group 2 opens and spends roughly \$7500 per classroom.
- **Year Three:** Group 3 opens and spends roughly \$7500 per classroom.
- **Year Four:** Group 4 opens and spends roughly \$7500 per classroom.
- **Year Five:** Group 5 opens and spends roughly \$7500 per classroom.

B. **Recruitment costs:** Also included in supplies are student recruitment costs. In the first year of operation, each SCN elementary school spends approximately \$450 per student on recruitment, which adds up to approximately \$85,000 during the first year and \$69,000 during the second and third years. These numbers assume that each SCN elementary school will ultimately enroll approximately 188 new students in their first year and 130 new students in each subsequent year. This growth plan is based on the New York state charter school enrollment regulations. SCN's intensive student recruitment campaign, as described in the project narrative, helps ensure that all students, including those with special education needs and English Language Learners, are informed about and can apply for SCN's random admission lottery. In addition to community mailings and newspaper advertisements, recruitment costs range from conducting pre-enrollment parent meetings to distributing application materials to thousands of admitted and wait-listed applicants. Materials are presented in multiple languages to accommodate all parents. Last year, 66% of Harlem families with age-eligible children applied to a Harlem Success Academy as a result of SCN's recruitment efforts. In the next five years, our recruitment efforts

will expand beyond Harlem and into Manhattan and the Bronx to service our new schools. Because SCN only recruits students in the early elementary years, recruitment costs are not included in the budgets for SCN middle schools.

- **Year One:** Group 1 opens.
- **Year Two:** Group 2 opens.
- **Year Three:** Group 3 opens.
- **Year Four:** Group 4 opens.
- **Year Five:** Group 5 opens.

6. Contractual

In order to ensure that SCN's teachers are receiving frequent, quality training, SCN schools spend roughly \$62,000 per year on professional development for new teachers in each school. This includes an intensive, three-week faculty orientation for new staff during the summer, as well as weekly professional development sessions during the school year. A portion of this funding is also spent on an annual leadership summit for current and future SCN school leaders. SCN requests that 50% of contractual costs be covered by the CSP grant, so the amount that SCN is requesting be covered by the CSP grant per school per year is \$31,000. With multiple new schools opening each year, professional development costs add up to approximately \$1.2 million of the five years of the project.

- **Year One:** Group 1 opens and trains its new teachers and leaders.
- **Year Two:** Group 2 opens and trains its new teachers and leaders. Group 1 trains new teachers (for an additional grade) and leaders.

- **Year Three:** Group 3 opens and trains its new teachers and leaders. Groups 1 and 2 train new teachers and leaders.
- **Year Four:** Group 4 opens and trains its new teachers and leaders. Groups 2 and 3 train new teachers and leaders. Group 1 is self-sufficient.
- **Year Five:** Group 5 opens and trains its new teachers and leaders. Groups 3 and 4 train new teachers and leaders. Group 2 is self-sufficient.

7. Construction

No funding is requested for construction.

8. Other

As part of SCN's extensive recruitment activities described in the project narrative, SCN spends approximately \$81,000 on teacher recruitment during an elementary school's first year of existence, followed by \$64,000 in the second and third years. SCN middle schools will spend approximately \$24,000 on teacher recruitment the first year, followed by \$18,000 in the second year and third years. These figures are based on the aforementioned enrollment numbers (188 for first-year elementary schools, 130 for second- and third-year elementary schools) that are derived from the charter school enrollment regulations referenced above. These numbers reflect the competitive market for hiring top teaching talent in New York City.

- **Year One:** Group 1 opens and recruits new staff.
- **Year Two:** Group 2 opens and recruits new staff. Group 1 recruits staff for an additional grade.
- **Year Three:** Group 3 opens and recruits new staff. Group 1 and Group 2 each recruit staff for an additional grade.

- **Year Four:** Group 4 opens and recruits new staff. Group 2 and Group 3 each recruit staff for an additional grade. (Group 1 is self-sufficient)
- **Year Five:** Group 5 opens and hires new staff. Group 3 and Group 4 each recruit staff for an additional grade. (Group 2 is self-sufficient)

Section B: Non-Federal Funds

The scale of SCN's Expansion and Replication Plan requires that SCN obtain additional funding from non-federal sources. Therefore, SCN is positioned to match up to one hundred percent of any federal funding received with outside sources. As referenced in the matching section of this application, SCN has had tremendous success acquiring private donations. In the first year of project, SCN will match \$2.3M of committed funds from Private Foundations and 3% of SCN Management fees revenue. SCN Management fees are calculated each year as 9.9975% of the NYC Per-Pupil Funding that each Success Academy receives, as described in the Business Services Agreement between SCN and its schools. In year 2 of the Expansion and Replication project, SCN will contribute 30% of Management Fees Revenue to the project costs, decreasing to 25% for years 3 and 4, and 20% in year 5.

The expenses below assume a 4% increase in salaries per year and a 3% increase in all other expenses due to inflation. The salary number also includes an estimated bonus that represents 10% of the salary for the year.

1. **Personnel**

- **COO:** SCN's COO will serve as the project manager and will be responsible for ensuring that the Expansion and Replication Plan is executed successfully within budget and that it is self-sustaining by the conclusion of the grant period.

COO \$212,000 x 0.5 FTE = \$106,000 for base year

- **Operations:** The Director of Operations is responsible for managing student recruitment and non-instructional school operations (such as remodeling, food services, and supply procurement). Assisting the Director in all the details of expansion will be the Assistant Director of Operations and an Operations Assistant—both of whom will spend 50% of their time on the Expansion and Replication Plan.

Director \$95,000 x 0.5 FTE = \$47,500 for base year

Asst. Director \$65,000 x 0.5 FTE = \$32,500 for base year

Assistant \$45,000 x 0.5 FTE = \$22,500 for base year

- **Information and Communications Technology (ICT):** The ICT director will oversee the set-up of the technology systems necessary for the Expansion and Replication Plan's data and assessment program. Additionally, a Technology Associate will develop and implement the technology systems and platforms used in the assessment, professional development, and instructional aspects of the Expansion and Replication Plan. Two Technology Associates will assist in establishing and maintaining high-level technology use in each new school and classroom. 50% of their time will be allocated to the Expansion and Replication Plan.

Director \$90,000 x 0.5 FTE = \$45,000 for base year

Associate 1 \$59,890 x 0.5 FTE = \$29,945 for base year

Associate 2 \$50,880 x 0.5 FTE = \$25,440 for base year

- **Enrollment:** The Enrollment Director oversees outreach to families in the Success Academy communities during the intense recruitment phase that lasts from January through the first weeks of school. Her salary will be 100% covered by Expansion and

Replication Plan funds. The director will also employ one Associate at the SCN level to assist her and liaise with the various school support staff.

Director \$65,000 x 1.0 FTE = \$65,000 for base year

Associate \$40,000 x 1.0 FTE = \$40,000 for base year

- **Family Affairs:** The Assistant Director of Family Affairs helps to oversee general communication to families in the Success Academy communities throughout the school year. She will also employ two associates at the SCN level to assist her and liaise with the various school support staff.

Asst. Director \$62,500 x 0.5 FTE = \$31,250 for base year

Associate 1 \$50,000 x 0.5 FTE = \$25,000 for base year

Associate 2 \$46,000 x 0.5 FTE = \$23,000 for base year

- **Human Resources:** The Director of Human Resources ensures that our hiring keeps pace with our rapid expansion of schools and grades over next 5 years. She will be assisted in her recruitment and retention efforts by a Recruitment Manager and 2 Human Resources Associates, all giving 50% of their time to the SCN expansion and replication plan.

Director \$85,000 x 0.5 FTE = \$42,500 for base year

Recruitment Mngr \$74,500 x 0.5 FTE = \$37,250 for base year

HR Associate \$65,000 x 0.5 FTE = \$32,500 for base year

HR Associate \$60,000 x 0.5 FTE = \$30,000 for base year

From descriptions above, there will be 16 people involved in the project, with a total of 9 FTE for the project. In each year of the project, salaries for the staff involved in the project will increase by 4%.

2. Fringe Benefits

The fringe benefits associated with the Expansion and Replication Plan have been calculated to include the necessary taxes and benefits associated with each FTE employee necessary for the Expansion and Replication Plan. Insurance has been calculated at \$4,800 per FTE for health insurance, \$600 per FTE for dental insurance, and \$120 per FTE for vision insurance. Also included is 7.65% of personnel expenses for FICA, 4.025% for New York State unemployment insurance, 0.736% for workers' compensation insurance, and \$60 per FTE for disability insurance. The Expansion and Replication Plan budget also includes 3% of salary expenses as employer contributions to its employees' 403b retirement plans.

3. Travel

No expenses associated with travel.

4. Equipment

No equipment expenses will be funded by the Expansion and Replication matching funds.

5. Supplies

For computer supplies and software needed for the 16 project employees, calculated at \$1,000 per project employee. New computers for all project staff will be required in Year 4 at \$1,200 per Project employee.

6. Contractual

- **External Affairs:** The matching funds for the Expansion and Replication plan will cover 90% of the consulting costs anticipated by the External Affairs department in their work with families, community organizations and others to establish the

presence of the Success Academies as expansion into new neighborhoods happens.

The total anticipated cost for these services is \$364,000 and has been matched for Year One of the project.

- **Information and Communications Technology:** The matching funds will cover IT outsource services required by SCN to optimally serve the schools' technology needs.

IT Outsourcing Services at \$80,676 in base year for 5 project years.

Tech Consulting at \$14,090 in base year for 5 project years.

- **Human Resources:** Additionally, the funds will cover Human Resources Consultants who work with the HR department to keep teacher retention high and to hire effectively in pace with our rapid growth rate.

Consultants at \$155,000 in base year for 5 project years.

7. Construction

No funding is requested for construction.

8. Other

Year 1: The External Affairs department plans Special Events each year for current and new parents at the SCN schools. These events promote School Choice, celebrate student accomplishments, and continue to inform the community and local leaders about the presence and achievements of SCN schools. In the past, for example, SCN has shown films about charter school successes and the need for parent choice in New York City.

\$298,000 in base year for the following events:

- Opening Ceremony: \$115,000

- Harlem Ed Fair: \$36,000
- New Student Welcome Event: \$70,000
- Art Show and other events for students, parents, and community members:
\$77,000

The matching funds will cover the cost of these special events, as well as 70% of the costs associated with general community outreach done throughout the year by SCN. This also includes costs associated with the development of and dissemination of the Hoxby and Hunter research studies on student achievement. Additionally, a field campaign is run by SCN to maximize student recruitment efforts.

\$377,615 in base year, continuing for all 5 project years.

Year 2-5: Only 20% of Special Event costs for parents, described above, will be funded in these project years.